

[Vol V-#7]

# BULLETIN

OF THE

## NATIONAL ASSOCIATION OF CREDIT MEN.

PUBLISHED MONTHLY BY

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## Annual Convention of the National Association of Credit Men held at Memphis, Tenn, June 14, 15, 16, 1905.

Hotel Gayosa, June 14.

Promptly at ten thirty o'clock, on the morning of June 14, President Standart called the Convention to order, saying:

It affords me great pleasure in calling this, the Tenth Annual Convention of the National Association of Credit Men, to order, to face so large and representative a gathering, which fact shows clearly the great interest manifested by the members in their Association's work.

The Convention will now be opened with an invocation by Rabbi Max Samfield.

Rabbi Samfield—Oh, God of Heaven and of Earth, Thou source of life and of love, the Father of humanity, in this hour we would turn unto Thee to invoke Thy blessing upon this assemblage of men who have come hither from the North and from the South, from the East and from the West, to combine their intelligence and their influence for the noble purpose of making righteousness the central law of their organization and of their work, and to make mutual good-will and universal good-faith the fundamental principles of all the relations of business men.

Oh, Thou God, we also implore Thy blessing that Thou mayest give us strength to follow out the principles of the moral law in all the relations of mercantile pursuits, that we may hope that the function of public conscience and of healthy public opinion may grow stronger and stronger, until virtue is made the guide of all our transactions.

Mayest Thou, oh God, bless our country, vouchsafe unto her prosperity and happiness, and may she ever be among the nations exalted in righteousness, for righteousness exalteth a nation.

Bless the President of the United States, and grant Thou him success in his strenuous efforts to promote peace among the nations, so that in the end he will be looked upon as the peace-maker among the nations, as one who shall bring together in commercial bonds and interdependence all the people and all the races of the world, so that there may be fulfilled in us the prophecy that all men are brethren, that Thou, oh God, art the universal father of all men; to the end that righteousness and virtue may unite us all here on earth and finally beyond the tomb, in Heaven, forever. Amen.

President—We will now listen to an address of welcome by the Hon. J. I. Cox, Governor of this State. It is my privilege to introduce Governor Cox. (Great applause.)

ADDRESS OF WELCOME, HON. JOHN I. COX, GOVERNOR OF TENNESSEE.

Governor Cox—Mr. President, Ladies and Gentlemen: Arriving at the hotel a little late, I undertook to apologize to a Credit Man, but he said, "That's all right. These Credit Men will keep you waiting. They always do that. It is part of their business!" (Laughter and applause.)

It is my distinguished pleasure, in behalf of the people of the State of Tennessee, to welcome you to the city of Memphis to hold your Tenth Annual Convention.

In ancient times there was another Memphis, located on a great river, in a fertile valley, that was a commercial center. This Memphis is located on the banks of the Mississippi, the greatest river in the world,

and in the heart of the Mississippi Valley, the richest valley on this Continent. The definition of the word from which the name of the ancient Memphis was derived, is "good abode," or, as defined by some, "abode of the good." I am sure that when you shall have seen this magnificent city, enjoyed the hospitality of its splendid people, and learned of their enterprise, energy and benevolence, you will conclude that the modern Memphis signifies both "good abode" and "abode of the good." (Applause.)

The ancient Memphis believed that their god Ptah, the master craftsman in building their city, had formed the world. If the brains, the energy, the self-reliance and the self-confidence of the master craftsmen who are building this city could have been concentrated by the ancient Memphians in one mythological being, they could have had a god to whom might have been accredited the forming of two worlds. For here in Memphis is found the highest type of the progressive man to be found in the progressive South.

You are gathered here to consider questions important to this city, important to the South and to the people of the United States, and we are glad to have you meet in this city, the railroad center of the South, the head of navigation of the Mississippi for large steamers; a great commercial center of the South, one of the largest cotton markets of the world; the largest hardwood market in the world, and surrounded by the richest agricultural country of any city on the globe.

The question of credit is the most important one in the business world. It is not alone a question of honesty, but more largely a question of capacity and limitations. Most men are honest. All men are limited in their capacity. One man may be entitled to credit for only \$500, another, no more honest, entitled to credit for \$1,000, \$10,000 or \$100,000. A man may be worth \$100,000 and be entitled to less credit than a man worth \$10,000, each equally honest.

These are questions for the solution of which your Association was formed, and no greater work has been undertaken by any body of men in the commercial history of this nation. I have studied the financial panic of 1893, and in my opinion it was due, largely, to a reckless system of credit. Men were credited without regard to their honesty or capacity, until the whole commercial system was unsound and unsafe, so that a single shock brought down the whole structure, involving the honest with the dishonest, and the solvent with the insolvent. It was predicted that in seven years from '93 we would have another panic, but the years have come and gone without the recurrence of the panic. The Great Northern Securities' disturbance would have precipitated one of the worst panics this nation has had, if the conditions had been favorable. But it no more disturbed the commercial world than a pebble cast into the sea. (Great applause.)

Your business methods, your credit system, your organization, in my opinion, has destroyed the evil of panics. This nation has successfully combated every evil that has confronted our people, and I am sure that with your credit system you have averted panic, the great menace to our commercial prosperity. (Great applause.)

It is said that the balance of trade in our favor, has prevented a panic. No balance of trade could have prevented a panic if reckless credits had been extended and loose business methods pursued. Yet it is due to your splendid work and the efforts of those you represent, that the balance of trade is in our favor. To you is largely due our commercial greatness as to the statesman, soldier and sailor combined. (Applause.)

As a result of your successful handling of the products of the artisan and the soil, I confidently expect to see the balance of trade continue in our favor, until this nation shall be the bank of deposit for the surplus moneys of the world! (Applause.) And when Bryan and Roosevelt shall have torn down the tariff walls and made the trusts take their feet out of the trough (cheers), and you men shall have perfected your credit system, this will be the freest, best and greatest commercial nation the world has yet beheld. (Applause.)

But it occurs to me that I am not here to give advice, but to give welcome; therefore, from the hearts of Tennessee's generous people, I give you thrice welcome to this splendid city within our borders. (Enthusiastic cheering and loud applause.)

President—It will now be our privilege to listen to an address of welcome, on behalf of the city of Memphis, by the Hon. Mayor J. J. Williams, whom I take great pleasure in introducing. (Great applause.)

1. ADDRESS OF WELCOME, HON. J. J. WILLIAMS, Mayor of Memphis.

Mayor J. J. Williams—Gentlemen of the National Association of Credit Men: Memphis extends to you the hand of welcome with the greatest cordiality. In fact, she should and does feel more than almost any other city in the union a deep abiding interest in and love for the Credit Man.

If you will follow me in a short review of her history for the past ten years, you can readily understand why this is so. In 1897 the statistics showed Memphis to have had the largest death rate of any city in the United States in her class. She had about 300 manufacturing plants. Her building permits amounted to about \$300,000 per annum, with hundreds of vacant houses. She had but one small park and a population of 75,000 inhabitants. She had 13 banks with \$3,400,000 capital stock, and deposits and surplus amounting to about \$10,000,000, with Clearing House receipts to the sum of \$95,365,000. To-day her death rate, when you consider whites alone, is lower than that of any other city in the same class in the world, viz., 9 to 1,000. Her manufacturing plants have grown from 300 to more than 1,000, her building permits from 300,000 per annum to more than four millions, her population from 75,000 people to 175,000 people. She has a magnificent park system, embracing more than a thousand acres; a splendid belt railway, giving encouragement to the manufacturing and warehousing interests. Her banks have increased from 13 to 23, with a capital stock and surplus of \$6,800,000, and deposits amounting to \$30,000,000; her Clearing House receipts amounting to \$260,000,000, with balances in 1897 of \$23,000,000 as against \$54,000,000 for 1904.

Thus it can be said that Memphis is on the high road to a great future, a future and a grandeur that she will owe to the Credit Men who came to her aid in the hour of need.

With seven years of experience as her Mayor, I can testify to the fact that the chase after credit, in order to bring about such results, has been a hot one, and up to this time a successful one.

And, therefore, I say with all truth, that we, individually and as a community, appreciate the Credit Men and love them. We also realize that the great wheels of commerce, the strides of nations and of men, are measured and controlled by the magic word "Credit;" great armies and navies, churches and trusts are created, fostered or destroyed by the system, sometimes beneficial; sometimes cruel, but which at all events encircles the world and is known to all peoples, and at all times acceptable to each and all. (Applause.)



I hope, gentlemen, your visit to our city may be pleasant and profitable, so that when you have returned to your homes, you will remember Memphis as having a credit-loving, a debt-paying and a hospitable people, ready to fight, to treat, to do business, or to love, as occasion may require. I again welcome you most heartily. (Great applause.)

President—On behalf of our organization, Mr. J. Harry Tregoe, of Baltimore, will reply to the addresses of welcome. (Long-continued applause as Mr. Tregoe came to the rostrum.)

#### RESPONSE TO ADDRESSES OF WELCOME, MR. J. HARRY TREGOE.

Mr. Tregoe—Mr. Governor, Mr. Mayor, Mr. President, Ladies and Gentlemen: It is an embarrassment of riches to have focalized in one representative for response, the many kindly expressions and cordial words of welcome given our Association. But I thank you for your welcome, though it is difficult for me to go beyond personal reasons in the matter, of which I might enumerate three: Firstly, that it is the home of Mr. Apperson (great applause); secondly, from the story I heard told by Dr. Haldemann, President of the University of Virginia, who was traveling in the mountains of East Tennessee, and who stopped at the home of a mountaineer for shelter. The mother was telling the president about her family, and finally came to her oldest boy, when she said to the president: "Well, Bill has a good many bad traits, but there's one thing he aint done yet." And the president expected something most inspiring, when she continued: "Bill aint never cussed his dad at the table yet." (Laughter and applause.) And, thirdly, from a little incident which came to my notice only a few days ago. In the city of Washington they were taking a religious census. Two young ladies were canvassing G Street, N. W. They rapped at a door. A little colored boy came, and they said: "Who lives here, Johnnie?" "Mr. Johnson." "Is he a Christian?" "No, ma'am, he's a Congressman from Tennessee!" (Great laughter and applause.)

Mr. President, your predecessors have led this host to the heights whence they could look into the promised land, but you are our Joshua to bring us here (applause); and, gentlemen, isn't it fine to be in the home of Dixie? (Loud applause.)

We have these words of welcome offered us. I am sure they are sincere. You are free to do what you please; and whilst the Governor and Mayor did not mention it specifically, yet I understand that the writ of habeas corpus has not been suspended and will not be while we are here. (Applause and laughter.)

We have left behind us a great many responsibilities. Many even at this time are thinking of the office duties, are thinking of the mother and of the little ones; but I say to you, let us, if we can, throw aside these cares for a little while; let us feel the sentiment of that little poem, which is not an epic, though very practical—and it reads this way:

"If the world seems going wrong,  
Forget it.  
Sorrow never lingers long;  
Forget it.  
If your neighbor bears ill-will,  
If your conscience won't keep still,  
If you owe an ancient bill,  
Forget it."

(Continued applause and laughter.)

Mr. F. S. Evans, of Philadelphia—Mr. President and Gentlemen of the Convention. It seems proper in representing the grand old City of Philadelphia, that staid old city where order is always preserved, that we should bring you something to guide you in your deliberations, especially when unruly members like our friend Apperson get too exuberant in their remarks. (Laughter.)

Philadelphia is nothing if not historic. Therefore, we must present you with something that has historical significance. While we are great in our manufactures, and great in our buildings, great in our sewers and still greater in our gas plant (laughter), yet Philadelphia is the cradle where the liberty of this country was nurtured; and all of us, no matter from what section we come, must look with reverence upon those ancient landmarks that we have in our custody. I take great pleasure, therefore, in reading to you the following letter:

"THE GIRARD NATIONAL BANK, PHILADELPHIA.

June 10, 1905.

*To the President of the National Association of Credit Men,  
Memphis, Tenn.*

DEAR SIR: The first bank of the United States was organized in this city in 1791, and its home was in the old Carpenter's Hall, where the first Continental Congress met. In 1795 it began the erection of its building on Third Street, south of Chestnut, where it continued in business for a number of years. From 1812 to 1835 the building was owned and occupied by Stephen Girard, and since that time it has been occupied by the Girard and the Girard National Bank. In making some recent alterations we were able to secure one of the walnut doors used in the original construction of the building, and from which we have had made a few gavels. The wood in this gavel being more than one hundred and ten years old, and from its connections and surroundings, makes it, we think, an historic relic, and it will become very valuable in years to come. We take pleasure in presenting to your Association one of these gavels, which we trust you will accept with the compliments of this bank.

Very truly yours,

THEO. E. WIEDERSHEIM,  
Second Vice-President.

(The gavel was handed to the President amid great applause.)

President—I can only say in reply to Mr. Evans' remarks that the Association thanks the bank heartily, and I will in its behalf gladly accept the gift, and will endeavor to preserve as good order in our meetings as Philadelphia maintains at home. (Applause.)

It now becomes my duty as the next order of business to read the annual address of the President. (Great applause.)

#### **President's Address.**

*Gentlemen:*—It has been customary for the presidents of this Association to preface their annual addresses with expressions of a felicitous nature bearing upon the character and prospects of the organization, and while the present state of our affairs calls for equally emphatic words of gratification, it has seemed to me fitting that the place of high honor in any summary or record of the events of the past year should constitute a memoriam of one who in his lifetime was among the most loved and admired of our membership, former President John Field, of Philadelphia. Mr. Field brought with him into this Association a firm belief in the needfulness and efficacy of the work we had undertaken; he brought to the prose-

cution of the duties which fell to his lot, both as an official and lay member, a devotion which was an inspiration to those who labored with him, and an encouragement to the entire membership. He was the most human of men. He practiced naturalness. His every action was a lesson in the beautiful simplicities of life. Trust and honor were constantly before him. His manliness, earnestness and warm-heartedness were indelibly impressed upon the memory of all with whom he came in contact.

The details of the work done by the Association during the past year will be placed before you through the reports of the Secretary-Treasurer and the various committees. I, therefore, will limit this address to a statement of the policies that have been pursued during my administration and one or two suggestions for the future.

When I assumed the presidency of this Association, it was not only with a realization of the great responsibility resting upon me, but with, I believe, a thorough appreciation of the high ideals for which the organization was started, and which have been so ably maintained by my predecessors.

In my opinion, the future of the Association depends very greatly upon the nice adjustment, control and co-operation between the National Association and the Local Associations, and the proper definition of the duties, responsibility and policy of the former. From time to time there have been temptations for the National Association to undertake for itself something in the nature of a Reporting or Collection Bureau; but, fortunately, I believe, it has been kept tolerably clear of these matters, as well as other entangling alliances that have been suggested. The National Association must stand on a broader plane; it must stand for the general improvement of credit conditions, act as a cementing force between the various local organizations, be devoted to the development of the ethical phases of credit, and act as an educational center of economic problems. It should represent, if you please, the concensus and concentration of the best thought of the best elements of all the Associations, and nothing should be permitted to enter into its plans or its policies, that would in any manner deteriorate or detract from the high standard of its position, the dignity and high-mindedness of its purpose.

It is not my object at this time to plunge into any debate, or provoke discussion upon this point, nor do I think that it is one upon which there can be much diversity of opinion. It has been stated, however, that an attitude and policy of this description on the part of the National Association and its abstinence from practical or directly beneficial work, might tend to strengthen the Local Associations to the detriment of the National Body, and inculcate a tendency on the part of the former toward independence and self-government. Such a view is not the actual experience of the Association, so far as can be ascertained at the present time. Those local branches which are the most active and progressive, and among which are many that have undertaken the establishment of Reporting, Collection and Adjustment Bureaus, are among the most loyal toward the National Association. If there have been among the membership those who have been inclined to be lax and lukewarm in their appreciation of, and loyalty to, the National Body, a visit to one of our conventions seems to have been generally effective in making them enthusiastic and whole-hearted in their allegiance. And I firmly believe that this will always be the case as long as the National Association maintains the high standard it has established and preserved in the past, and holds itself aloof entirely from those influences which serve to make it nothing more than a reporting or collection agency.

In the operations of the Local Associations, I believe that too much

effort and encouragement cannot be given to so-called practical work. There can be no question that the trend of local association work for several years, and especially during the past year, has been strongly in the direction of the introduction of reporting, collection and prosecution departments, and the wisdom of such a policy on the part of the local branches is shown in the large increase in membership that has been attained by them; no matter how divergent may be our opinions as to the desirability of these bureaus, it is a fact that there is an ever-increasing demand for and appreciation of them.

The Local Associations were originally started upon the same lines as the National Association: viz., for the interchange of views bearing on credit problems, for the educational advancement of credit men in the different phases of their profession, and for the procurement of legislation affecting credit interests. After a few years, however, it developed that these subjects, which in the earlier stages were of great interest, somewhat lost their attractiveness, and in order to increase and in many cases to even maintain the normal membership, something in the nature of practical work had to be undertaken. The injection of this new work has in many cases revived the local branches, and in proportion as these practical measures have been adopted and carried to a successful issue, the institutions affected have grown both in membership and interest until at the present time some of them are not only giving to their membership a quality of service that is invaluable in itself, but they are recognized as among the most important commercial organizations of their cities and states.

Influenced by the conditions just described, I have, during my administration, earnestly and systematically urged upon the local branches which have not heretofore employed such features, the establishment of reporting, collection, adjustment, investigation and prosecution departments, and I believe that the results of the future will demonstrate the wisdom of this policy. My observation, both as a lay member and officer of the Association, has led me to believe and to now reiterate and emphasize that belief, that the stronger in membership, in influence and in the development of practical work the local branches have become, they have thus far and will continue to constitute the best safeguard and ally of the National Association. The strongest associations are always loyal—it is only the weak that are dissatisfied and unsympathetic. As soon as the latter are provided with some plan or plans which will arouse interest and stimulate success, I believe that their attitude toward the National Association will undergo an appreciable change for the better. Work is life; it is inaction that kills; and as long as the local associations measure their duties by abundant, intelligent and harmonious work, the National Association can count upon their unqualified support.

Happily the reputation of this organization is such that we need have no misgivings as to the future or as to the possibilities of its success; but we are now, as it were, "at the parting of the ways." In view of the temptations and opportunities to inject into the national and local work the innumerable schemes suggested, it seems to me that some definite policy should unquestionably be adopted on the subject. My own opinion, as heretofore stated, is that the National Association should be kept absolutely free from all such entanglements and that the local associations should be urged and assisted to adopt such practical work as will be for their benefit and advantage, suitable to the special and peculiar conditions of their localities and as their different interests may require.

I may incur the criticism of being somewhat prolix upon this question, for which I must crave your pardon and indulgence; but I feel very



strongly upon this subject and deemed it my duty to express myself as emphatically and clearly as the circumstances would permit.

During the past year there has been considerable attention given to the methods which should be employed in the investigation and prosecution of fraudulent failures. The difficulty attending the operation of an investigation and prosecution bureau by the National Association was so clearly demonstrated by our past experience as to warrant the conviction that this work can be handled much more satisfactorily by the local associations. Several of the latter have adopted a plan for this purpose, which, so far as we have been able to learn, seems to be working to much better advantage. It is also likely that a suitable plan can be worked out which would make it possible for the local associations to co-operate, so far as their investigation and prosecution departments are concerned, with better results than have heretofore been attained by the National Association.

At the last session of Congress an effort was made to repeal the National Bankruptcy Act. At all of our conventions the sentiment has been so undeniably in favor of the existence of such a law that when the movement to effect its repeal came to my attention I deemed it to be a matter of such grave importance that I appointed, with the approval of the Board of Directors, an exceedingly strong committee on Bankruptcy Law and Legislation, whose duty it will be to represent the Association in all matters affecting the National Bankruptcy Act.

I desire to commend to your earnest consideration the reports of the standing committees, which will be submitted in the order set forth in the Official Program. It seems to me entirely proper to ask that this convention address itself particularly to one question of legislation, which has never been considered by the Association to any extent, but the discussion and treatment of which, I believe, is certainly within its province. I refer to the laws that have been passed in some states that are aimed at and are hostile to the reputable Old Line Fire Insurance Companies. I refer to that character of legislation known as the "Valued Policy" laws and the "Anti-Compact" laws. The result of the first is to encourage arson and add to the loss ratio. The operation of the second will in all probability lead to the withdrawal of some of the best companies from those states where the law is in effect, consequently reducing the amount of good insurance which may be secured therein.

It is not in the interest of the Fire Insurance Companies, nor with a view to meddling in any way, shape or form with any business interests other than our own, that these references are made, but the question of adequate insurance is such an important feature in the dispensation of credit that we are clearly justified in carefully scrutinizing laws such as those mentioned. I would, therefore, recommend and urge the exercise of your influence for the repeal of all laws which vitiate the quality or restrict the amount of fire insurance protection.

Before closing this address, I desire to express a personal opinion on the subject of insurance. I am strongly of the opinion that insurance companies, both Fire and Life, should be under the supervision of the National Government rather than under the control of the various State officials, as at present. Such a change would operate not only to the material benefit of policy holders in general, but, I believe, would also be conceded to distinctly safeguard the interests of the insurance companies themselves, for the reason that on the one hand the policy holders would be afforded greater protection in the way of supervision and examination, and discouraging and eliminating unsubstantial and unre-

liable institutions, while the companies, on the other hand, would benefit by uniformity of legislation and taxation.

President—The next order of business is the annual report of the Secretary-Treasurer, which will be presented by Secretary-Treasurer C. E. Meek (Applause.)

#### ANNUAL REPORT OF SECRETARY-TREASURER.

President, Officers and Members of the National Association of Credit Men: The report of your Secretary-Treasurer which is presented at this, the Tenth Annual Convention of the Association, will place before you a summary of the receipt and disbursement of funds passing through the hands of that official. There will also be presented a statement as of June 1, 1905, setting forth a true condition of the Association's financial condition at that time.

During the past fiscal year the Secretary-Treasurer has at all times had sufficient funds in his hands to meet promptly the obligations of the Association and to warrant an extension of the work within reasonable lines. The increase in membership has brought with it an increase in the demands made upon the National Office, and in order to meet this condition, it has been necessary to add to the equipment and expenses of the office. It is now your Secretary and Treasurer's pleasure to put before you these figures:

#### FINANCIAL REPORT.

##### RECEIPTS.

June 1, 1904, cash in bank.....	\$130 41
Individual Dues Collected.....	8,530 00
Organized Dues.....	14,718 89
From Sale of Inquiry and Statement Blanks.....	327 61
	<hr/>
	\$23,706 91

##### DISBURSEMENTS.

Vouchers paid in June, 1904.....	\$1,281 92
July, ".....	2,597 18
Aug., ".....	1,280 58
Sept., ".....	1,356 07
Oct., ".....	1,657 33
Nov., ".....	1,880 17
Dec., ".....	2,487 89
Jan., 1905.....	1,670 96
Feb., ".....	2,112 06
Mar., ".....	1,713 39
Apr., ".....	1,962 94
May, ".....	2,851 03
	<hr/>
	22,851 43
Balance in Treasury.....	\$855 48
Office Account.....	750 00
	<hr/>
Cash Balance, June 1, 1905.....	\$1,605 48

##### COMPARISON OF RECEIPTS

	1903-1904	1904-1905	1904-1905 Increase
Individual Dues.....	\$7,062 50	\$8,530 00	\$1,467 50
Organized Dues.....	11,609 03	14,718 89	3,109 86
Blanks Account.....	252 94	327 61	74 67
	<hr/>	<hr/>	
	\$18,924 47	\$23,576 50	\$4,652 03

# COMPARISON OF DISBURSEMENTS.

	1903-1904	1904-1905	1904-1905 Increase
Stationery and Printing.....	\$4,046 55	\$4,366 83	\$320 28
Postage .....	1,433 70	1,780 51	346 81
General Expense.....	2,676 06	4,788 44	2,112 38
Organization .....	1,885 90	2,578 35	692 45
Salaries .....	8,781 37	8,806 46	25 09
	<b>\$18,823 58</b>	<b>\$22,320 59</b>	<b>\$3,497 01</b>

## STATEMENT OF RECEIPTS BY MONTHS.

	Total	Org. Dues	Ind. Dues	Blanks
June, 1904.....	\$1,922 25	\$1,512 25	\$410 00	
July, ".....	5,865 15	3,292 50	2,550 00	\$22 65
August, ".....	959 15	340 75	570 00	48 40
September, ".....	1,965 50	1,485 50	480 00	
October, ".....	1,252 00	922 00	330 00	
November, ".....	1,203 00	743 00	460 00	
December, ".....	1,348 20	938 20	410 00	
January, 1905.....	1,504 50	1,124 50	380 00	
February, ".....	1,149 75	599 75	550 00	
March, ".....	1,594 50	1,034 50	560 00	
April, ".....	1,887 38	876 24	890 00	121 14
May, ".....	2,925 12	1,849 70	940 00	135 42
	<b>\$23,576 50</b>	<b>\$14,718 89</b>	<b>\$8,530 00</b>	<b>\$327 61</b>

## STATEMENT OF EXPENSES BY MONTHS.

1904.	Sta. & Print.	Postage.	Gen. Exp.	Org. Exp.	Salaries.	Total.
June .....	\$181 61	\$59 00	\$291 40	\$200 00	\$696 33	\$1,428 34
July .....	759 34	270 00	408 75	200 00	672 33	2,310 42
August .....	234 26	88 25	168 88	200 00	678 33	1,369 72
September ...	217 19	93 50	246 36	200 00	658 33	1,415 38
October .....	160 18	144 78	383 27	200 00	708 33	1,596 56
November ...	262 52	114 25	779 50	200 00	648 33	2,004 60
December ...	1,215 86	178 35	299 39	116 84	658 33	2,468 77
1905						
January .....	265 76	173 77	347 05	100 00	803 33	1,689 91
February ....	293 97	159 75	583 88	273 37	795 33	2,106 30
March .....	45 63	144 13	589 76	273 59	795 33	1,848 44
April .....	335 91	142 73	354 11	301 26	832 33	1,966 34
May .....	394 60	212 00	336 09	313 29	859 83	2,115 81
	<b>\$4,366 83</b>	<b>\$1,780 51</b>	<b>\$4,788 44</b>	<b>\$2,578 35</b>	<b>\$8,806 46</b>	<b>\$22,320 59</b>

## Report of Trust Fund.

Submitted herewith is a complete report of the receipts and disbursements of the Trust Fund of the Investigation and Prosecution Bureau from June 1, 1904, to June 1, 1905:

Balance on hand, June 1, 1904.....	\$3,214 14
Interest to June 1, 1905.....	39 63
	<b>\$3,253 77</b>

### DISBURSEMENTS.

Account of: Expenses .....	\$100 00
Legal Services and Disbursements, Gen'l Counsel.	1,000 90
Disbursements and Legal Services other than General Counsel.....	386 54
	<b>\$1,487 44</b>

Balance to June 1, 1905..... **\$1,766 33**

The balance on hand June 1, 1905, of \$1,766.33 is on deposit in the Fourth National Bank of New York, and is verified by them.

A number of unfinished cases under the Investigation and Prose-

cution Bureau were reported at the last Convention; all of these cases have been vigorously pushed, and the result attained will be set forth in the report of the Investigation and Prosecution Committee.

The Association has on hand an assorted supply of pamphlets and other printed matter which, with the stationery on hand and the office equipment, is conservatively valued at \$1,500.

As the details connected with the work of all committees will be presented through your committees' reports, your Secretary-Treasurer will not attempt to trespass either upon your good nature or your time by entering into a general discussion of the Association's affairs, but will content himself by referring briefly to one or two items only.

Since the preparation of the Membership Committee's report advices were received at the National Office to the effect that the Jacksonville, Fla., Credit Men's Association had decided upon affiliation, thus increasing the number of local associations to forty-eight, a net increase for the year, of six. The Jacksonville Credit Men's Association brings an addition of fifty-two to the membership list.

The admission of the MONTHLY BULLETIN to the privileges of second-class mailing rates has been finally accomplished; the Post Office Department, has, however, reserved the right to revoke the privilege at its option, unless certain changes be made in the subject matter of the publication. The Business Literature Committee will in their report offer suggestions intended to meet the requirements of the situation.

President Standard during the year visited the Associations at Chicago, Kansas City, Omaha and Minneapolis, while the following Associations were visited by your Secretary-Treasurer: Baltimore, Chicago, Cleveland, Columbus, Denver, Detroit, Louisville, Memphis, Milwaukee, Nashville, New York, Norfolk, Richmond, Rochester and St. Louis.

The office of the Association is now located in the Park Building, 41 Park Row, New York City, where members are cordially invited to call whenever opportunity offers.

Your Secretary-Treasurer takes this occasion to thank the members for the many courtesies which have been extended to the office.

Moved, seconded, and unanimously carried that the Secretary-Treasurer's report be received and referred to the Auditing Committee.

President—The next order of business will be the announcement of Committees on Resolutions, Credentials, Nominations and Auditing, and the reading of rules for the Conventions.

The Secretary will read the list of such committees appointed.

The Secretary then read the list as follows:

*Committee on Resolutions.*

Howard Marshall, Chairman, New York.

Wilmer L. Moore, Atlanta.

A. H. Burt, Buffalo.

Howard Mitchell, Chattanooga.

W. A. Hopple, Cincinnati.

F. E. Huggins, Columbus.

W. G. Seely, Jr., Detroit.

E. F. Sheffey, Lynchburg.

H. M. Battin, Milwaukee.

W. H. Cochran, Pittsburg.

George L. Pender, Richmond.

B. C. Pinger, St. Joseph.

E. L. McKelvey, Youngstown.

F. S. West, Portland.

A. B. Carruthers, Memphis.



*Committee on Credentials.*

C. E. Meek, Chairman.  
C. L. Bird, Boston.  
A. C. Foster, Denver.

*Committee on Nominations.*

F. S. Evans, Philadelphia.  
F. A. Grossenbacher, Cleveland.  
George H. Sheble, St. Louis.  
George H. Hovey, Chicago.  
A. B. Merritt, Grand Rapids.

*Auditing Committee.*

J. Ross Diggs, Baltimore.  
D. S. Ludlum, Philadelphia.  
Edward Weter, Rochester.

Secretary—I have been requested on behalf of the Portland, Oregon, and the Seattle, Washington, Credit Men's Associations, to extend to you a cordial invitation to visit the Lewis and Clark Exposition. The Secretaries of the two local Associations, upon being notified, will be pleased to arrange to extend the courtesies of the clubs in either place to the members of the National Association of Credit Men, providing they have their identification cards with them.

President—The Secretary will now read the rules of the Convention.

Mr. H. M. Battin, of Milwaukee—I move that the reading of the rules be omitted, as they are all printed.

Seconded and unanimously carried.

The printed rules are as follows:

**Rules for the Convention.**

Each delegate representing a local Association, and bearing proper credentials, shall be entitled to one vote on any motion or resolution coming before the Convention.

Each individual member recorded upon the books of the Association, prior to the official closing of the books for the year, shall be entitled to one vote on any motion or resolution coming before the Convention.

Both organized and individual members shall be entitled to a vote in the Convention by regularly appointed proxy or proxies.

The President shall appoint Committees on Resolutions, Credentials and Nominations, and an Auditing Committee.

Regularly appointed leaders in debate will be allowed five minutes in which to present their views. All other discussion on questions coming before the Convention will be limited to three minutes for each speaker, except by unanimous consent of the Convention, and no individual will be permitted to speak more than once upon any subject, except by unanimous consent of the Convention, or to correct a misinterpretation of his remarks. The Chairman of a Standing Committee will have the privilege of closing the debate in a five minutes' speech on all resolutions submitted by his Committee.

The regular program of the Convention shall be followed, and the time schedule allotted in the program for the consideration of given topics shall be strictly observed. The maker of a motion, the proposer of a resolution, or a speaker, shall, upon rising and addressing the Chair, announce his name and residence before proceeding.

A motion to refer to a committee shall be put at once without further debate.

All resolutions, except those offered by the various standing committees in connection with their reports, and such others as shall be offered at the time of the discussion upon the report of any standing committee, and particularly referring to the work of such committee, shall be referred, without debate, to the Committee on Resolutions.

Nominations for officers shall be by ballot in the following manner: After nominating speeches have been made the Convention will proceed to an informal ballot for officers of the Association for the ensuing year, and the two gentlemen receiving the highest number of votes for the respective offices on the informal ballot will be declared the nominees for that particular office.

The vote for such nominees shall be by ballot.

The vote for the location of the central office shall be by ballot at the call of the roll.

President—The rules as printed will stand as the rules of the Convention.

The next order of business will be an address by Mr. William A. Given, President of the Pittsburgh Association of Credit Men, on the subject of "Credit and the Evolution of the Credit Department." (Applause.)

Mr. Given—Mr. President, Ladies and Gentlemen: It is certainly a pleasure for me to meet once more the Credit Men in Convention assembled, especially in the city of Memphis, which we have long learned to know as the queen city of the Mississippi Valley (applause); to leave behind the grime and smoke of Pittsburgh, and come down here beneath these sunny skies. But I want to correct what I think is a misapprehension of Pittsburgh. A good many people, I find, think that all we Pittsburghers do is to make iron and—steel! (Laughter.) Now I assure you that that is not the case. Underneath the grime and the smoke there beat true hearts; and when you decide to hold a National Convention in Pittsburgh, we will show you a good time and treat you hospitably. We will take you up to our hilltops and let you look down on the glass and steel furnaces.—I think it was Henry Ward Beecher who said it was "hell with the lid off." I heard a story not long ago about a Pittsburgher that died and who did not come to in the other world, for about a week, when he looked around, and of the first man he saw he asked this question, "Where am I?" The fellow replied, "You're dead." "How long have I been dead?" "A week." "Well, I can't see that heaven is so much better than Pittsburgh." My friend, you aren't in heaven—! (Laughter.) But as I said, I am glad to be here in Memphis, especially because it is the city of the gifted Apperson. (Applause.) I have heard about it for the last three Conventions; I have thought about it by day, I have dreamed about it by night; and I can say with the Queen of Sheba, that the half has not been told—I have not said which half. (Laughter.) I think if the fellow I last told about had waked up here he would not have made that mistake! (Laughter.)

#### **Credit and the Evolution of the Credit Department.**

ADDRESS DELIVERED BY MR. WILLIAM A. GIVEN, Pittsburgh Penn., before the Tenth Annual Convention of the National Association of Credit Men.

*Mr. President, Ladies and Gentlemen:*

To presume to talk to credit men on credit seems like offering to tell over again an old story, one that you have heard again and again, and of which you are perhaps weary. In placing this subject before you, I

cannot plead a new form of presentation nor even a single new idea, yet I have no apology to offer, for it is a subject about which we cannot hear too much; even if you already know all about credit, it will be good to hear it again, for its principles are like the Bible to the credit man and should always be kept fresh in his memory.

I fear that we who have been long in the business, too often forget the first principles of our profession, and it is therefore needful that our memories be refreshed by hearing the old story over again.

This is, indeed, a large subject. It is broad as the world and reaches back into the remotest ages. It is one which we hear a great deal about in the present day. Every issue of every newspaper considers the subject in some phase.

It is a subject in which all business men, in all nations are interested, either as to how they shall get it, or to whom they shall give it.

### 1. *Meaning of the word.*

The word credit is derived from the Latin "*credo*," meaning belief, trust, confidence. It is from the same source as our English word "creed," referring to religious belief, and in this respect it means, I believe in God, I believe in his justice, his truth, his faithfulness.

When used in its every-day business form of credit, it means I believe in men, nay, I believe in a *man*. What do I believe with regard to a man? I believe that when Almighty God breathed into man the breath of life that he also inspired him with those God-like qualities of justice, truth and faithfulness, that these make up his *character* and that when he speaks, his utterance will be the truth, that his actions will be just, and that he will be faithful to his contracts and promises.

Commercial credit means the exchange of merchandise or money for a promise to refund or repay at some definite future time. When you entrust your goods or money to another on credit, you are simply performing an act of faith with regard to that person whom you so trust, believing that he will repay at the appointed time.

Faith, the power to believe, to credit, is a natural faculty of the mind. All children believe until their confidence is abused. Because of abused confidence the mature mind requires a basis for its faith, its confidence, its credit. This basis will receive consideration under another division of our subject.

### 2. *Antiquity.*

Credit, like faith, seems to be as old as the world. Recent excavations among the ruins of ancient Babylon have brought to light not only the splendid palaces of those mighty monarchs, but their extensive libraries as well, and we to-day can read from those tablets of baked clay, records which have been buried for three thousand years, confirming the historical statements of the Bible, and also showing the commercial attainments of this ancient people, including a well-advanced system of finance and credit. While we have no record of earlier credit transactions, they must have existed, and it is natural and reasonable to suppose that when Cain, the first farmer, brought his fruits to exchange for the products of Abel's flock there must have been some method of adjusting the balance of trade between them. That would mean credit.

Coming down to the beginning of the Christian era, we have abundant evidence that credit was a common thing in those early days. In Holy Writ we read of the unjust Steward, who compromised with his lord's creditors. This and many other instances that might be mentioned, all tend to show that credit is not a system of recent or even modern invention, but rather one of the greatest antiquity.

### 3. *Necessity of credit.*

If credit was a necessary feature of business in past ages, how much more is it an essential of commerce at the present day?

It is a well-known fact that all the money in the world is but a very small amount compared to the vast sums comprehended in the transactions of business.

Every business man knows how large a part of such transactions are accomplished by means of credit accounts, and how these in turn are settled, not by the payment of actual money, but by checks, drafts, notes or other representatives of money; and that these methods of payment are really only promises to pay, and therefore are a further species of credit.

Even what we call cash money—or a large part of it—is really a form of credit. For all bank and treasury notes are only promises to pay.

Thus, credit in its various forms has become indispensable to the transaction of business. Were credit wiped out of existence, and every purchase had to be paid in actual gold or silver we would speedily starve because of our inability to exchange our assets into money to buy bread.

### 4. *Necessity of modern systems of credit.*

We have seen the necessity of credit, and its antiquity. If it is so old and indispensable, surely its ethics have long been understood; why, then, in the last decade has it received so much attention, and why have so many new systems for dispensing it been put into practice, and why has it become necessary to bring into existence a new profession, that of credit men, and to organize these credit men into associations for the protection of credit interests? Has the world grown suddenly worse?

Have men in this age of progress been found lacking in those principles of honor and integrity with which they were created? Or has faith given way to skepticism, has man lost confidence in his fellowmen?

I do not believe that either of these propositions is correct. I am not one of those who cry for the "good old times," on the contrary, I believe the world is steadily and constantly growing better. And I further believe that there is a keener sense of honor and integrity among men to-day than ever before.

We must therefore look for the reasons of increased vigilance in matters of credit, not to deterioration in the manhood of this generation nor in the swinging backward of the pendulum of the world's standards of right, but rather to changed conditions surrounding the giving of credit, these changed conditions being the natural result of the world's general progress.

Changed conditions did I say? Look for a moment at the laws governing credit in the past as compared with the laws of to-day. Yes, look at the penalties for violation of those laws in the past, and compare them with the present. From the remotest time down to the nineteenth century the laws relating to credit have been of the most stringent character, and penalties for their violation severe in the extreme. It is only necessary to recall the hints given in the Holy Scriptures regarding punishment for violated contracts. The debtor with his family was sold into slavery that payment might be made. Sometimes torture was resorted to in those dark ages; yes, and even later when the life of the unfortunate debtor could be claimed by the tender mercies of a Shylock. It is easy to see that with such penalties staring him in the face, the man would be hard, indeed, who would intentionally defraud.

Let us come closer to our own boasted civilization, and we find that one hundred years ago imprisonment for debt was common.



We in this day of mild laws can scarcely realize the meaning of such severity. A few lines from Whittier's poem, "The Prisoner for Debt," may serve to bring out its true significance:

Look on him thro' his dungeon grate,  
Feebly and cold the morning light  
Comes struggling 'round him, dim and late,  
As if it loathed the sight.  
Reclining on his strawey bed,  
His hand upholds his drooping head,  
His bloodless cheek is seamed and hard,  
Unshorn his grey, neglected beard,  
And o'er his bony fingers flow  
His long dishevelled locks of snow.  
What has the aged prisoner done?  
Has murder stained his hands with gore?  
Not so; his crime's a fouler one,  
God made the old man poor.  
For this he shares a felon's cell,  
The fittest earthly type of hell;  
For this, the boon for which he poured  
His young blood on the invader's sword  
And counted not the fearful cost,  
His blood-bo't liberty is lost.  
Down with the law that binds him thus!  
Unworthy freemen, let it find  
No refuge from the withering curse  
Of God and human kind!  
Open the prisons' living tomb  
And usher from its brooding gloom  
The victims of your savage code  
Into the free sun and air of God.  
No longer dare as crime to brand  
The chastening of the Almighty's hand.

So the path of not only the dishonest but the unfortunate was made so hard as to practically deter all wilful commission of dishonest acts, and to make all men most careful about the keeping of their business obligations.

We hear a good deal in these days about the impossibility of making men honest by legal enactment, and we agree that it cannot be done.

But while laws will not make men honest at heart, they have prevented a great deal of dishonesty in the past, and will do so still if we give them a chance.

But the severity of former times is a thing of the past.

With the spread of Christianity came advanced civilization, higher ideas of the rights of men, and a constant tendency toward amelioration of laws and penalties. While we rejoice that the barbarous enactments of former ages have passed away, we fear that our enlightened civilization has gone to the other extreme, for it really seems as if our laws are now framed almost entirely for the protection of the debtor and with too little regard for the rights of the creditor.

Certain it is that to-day the creditor has not the same hold on his property, once it has passed from his hands and been entrusted to another, as he formerly had. Therefore, since present laws do not adequately protect his credit interests, he must be more careful to whom he gives credit, and must have a better knowledge of the basis for credit or the security which is offered for the credit asked.

Let us look still further into the changed conditions under which credits are now made, and we find that as the result of modern inventions, opportunities for increasing wealth have multiplied, and the ambitions of men have soared so high that with the lax laws and penalties at present existing, risks are taken that formerly would not have been thought of.

If the men taking these risks succeed in their venture, they are accounted as able financiers. If they fail, *they* are not the principal losers financially, nor are they liable to punishment by law; so with everything to gain and nothing to lose, is it any wonder that failures became rampant, and that on the part of creditors confidence should give way to panic, and they should seek new methods, better systems and competent counselors or credit men to help them avoid the depredations of the mushroom class. Is it any wonder that merchants join hand in hand for the correction of the abuses of credit which have resulted from keen competition on the one hand and reckless business methods on the other? And so as the result of these changed conditions the modern credit department is now an important adjunct of every large business, the profession of the credit man is established, and the National Association of Credit Men has become a most powerful factor in the commercial interests of our country.

#### 5. *The basis for Credit.*

As we stated before, faith, the power to credit, is a natural faculty of the mind, but because of abused confidence a basis for trust or credit is necessary.

This brings us to consider the qualifications that a merchant should have to form a sound basis for credit.

A careful study of the subject, as well as the experience of those well qualified to give an authoritative opinion has shown that a correct and safe basis for credit includes three great essentials; namely, Capital, Character and Ability.

According to Bradstreet's summary for 1904, there were 10,417 failures in the United States, of which 7,370 or almost 75 per cent. of the whole, are directly attributable to lack of these cardinal qualifications.

Gentlemen, if I needed any apology for selecting this subject, it is found in these facts. Think of it, in this day of credit men, credit departments and credit associations, 75 per cent. of failures the result of credits placed without a sound basis. Do we not need to hear the old story often?

In considering the basis of credit, we put capital first, not because we think it of more importance than character, but because that seems to be its natural place.

The word "capital" is derived from caput, meaning the head. From this definition we get the idea that it means that which stands at the head, or is the beginning; that which is the principal part, and in fact the term "principal," as you know is often used synonymously with capital. Following the same idea, capital letters stand at the beginnings of sentences, and the tops or crowns of columns or pillars are called capitals.

So capital in business is that which stands at the head or is the beginning, that with which investments are begun.

We often say of that which pleases us "capital," meaning it is good. So we might say of capital in business, it is that which "is to the good." In fact, capital is the accumulated product of industry and labor. It is the crown or surplus of a man's income, his accrued energy, that which he has by him or, as we so often put it, that which he has "to the good."

Capital is essential in the basis for credit,—

First, because it is a guarantee of security to the creditor and of good faith on the part of the debtor. If the debtor is risking his own

capital he will naturally guard his investments more carefully, and the creditor's risk is thus proportionately lessened.

Second, because most kinds of merchandise, and especially general stocks, cannot be turned rapidly enough to pay for themselves within the usual or discount period.

And since for various reasons it is desirable, both for debtor and creditor that discounts should be taken, the merchant must have sufficient capital of his own to relieve or take the place of the capital in the shape of goods, which has been loaned to him—when the same becomes due; in other words, he must have capital that he may pay promptly.

In the list of failures referred to, lack of capital is assigned as the cause of 3,358 failures, or almost one-third of the whole number, telling better than any words of mine the importance of capital in the basis for credit.

Of course, credit should be in proportion to the capital employed. It would be difficult if not impossible to suggest any rule that would apply in all cases, but I like to see a statement in which the entire amount of credit required or the total existing indebtedness does not exceed the amount of the active capital.

If capital be wisely used, credit based upon the same in such relative proportion will generally be safe.

But if carelessly managed or if credit limits be too greatly strained, that is, by increasing credit to an amount out of proportion to the basic capital, the success of the enterprise is rendered doubtful, for its affairs are thus placed in a condition in which they are no longer in the control of the debtor.

Will an honest merchant strain his credit to this point?

Certainly, an honest, thoughtful and wise man *will not*, and so in addition to capital a second factor is necessary in the basis for credit, namely Character.

In the report already referred to lack of character is responsible for 1,070 failures, over one-tenth of all, including losses by fraud, speculation and extravagance.

I have before referred to character as being made up of those heaven-born qualities of truth, justice and faithfulness. The man whose thoughts and actions are dominated by these qualities has the character that will insure honest, wise and thoughtful management of his business.

Such a man will recognize that justice to his creditors (as well as to himself) forbids straining his credit to the outside limit, or beyond it, as is so frequently done. Justice in his character will cause him to protect his creditors as well as himself by adequate insurance. His characteristic truth will not color too highly his assets nor put his liabilities at too low an estimate, neither will he conceal nor neglect to make known his true condition to those who have a right to know.

The man with such a character will have so high a regard for his word that he will be careful not to contract beyond his ability to perform. His faithfulness to his promises for payment will be held as a matter of highest honor. A man with such a character will be the honest man, *not* of that doubtful quality which is known as "law honest," honest only through fear of penalty. Neither will he be honest because "honesty is the best policy," but the man with a character, such as I have portrayed, will be honest because it is *right*. Such is the second great essential in the correct basis for credit. Bind together these two, Capital and Character, with the golden link of ability, and we have a combination unexcelled.

Bradstreet's summary gives 2,942 failures as the result of incompe-

tence and inexperience which we might classify as lack of our third great essential—Ability. It would be superfluous for me to remind you of the importance of this factor. These figures speak for themselves.

Ability is that mysterious quality which recognizes the fitness of things, that which does the right thing at the right time and in the right place.

Ability is the vital spark that puts energy behind capital and character and links them to success.

A merchant with capital and character but without ability is like a sailing vessel, staunch of timber and surely guided, but which lacking motive power within itself is therefore dependent on favorable winds and currents for its progress. While there may not be shipwreck, those who wait for the cargo may grow weary.

So Capital and Character, lacking ability, while it may not mean failure, cannot promise great success.

The man with capital and ability, *without character*, is like the ship with powerful engines but misguided course, which like the smuggler seeks to avoid the claims of justice.

This is a dangerous combination, for the creditor; its motto is, Succeed—honestly if you can—but, succeed.

If the man has character and ability *without capital*, we may liken him to a ship which with abundant motive power and true helm steers straight for its desired haven, but which, nevertheless, is of too frail build to outride the storm.

Under favorable conditions such a combination may succeed but it is a doubtful proposition, and one which, if considered by the credit man, should be approached with extreme caution.

Continuing the illustration, a union of these qualities would be represented by the majestic ocean liner, which with steel frame and powerful engines, laughs at wind and storm, and, obedient to the true helm, sweeps proudly to her destination.

So any two of these qualifications are insufficient without the third, but combined they form a triple alliance, a trinity of excellence which the credit man will recognize as the true, the only perfect, the ideal basis for credit.

The all-important question then is, how shall the creditor or his representative, the credit man, acquire correct knowledge of an applicant for credit, as to his capital, character and ability? In other words, how shall he know his credit standing or his basis for credit? And this brings us to our last point, namely:

#### 6. *The source of the credit man's knowledge.*

The basis of credit for any man may be approximated by what he tells you concerning himself and also by his *reputation*, that is, what others say of him.

What a man says for himself and of himself may be useful especially if he submits a detailed statement of resources and liabilities.

Some credit men think that when they look a man in the face and hear him talk they can by *intuition* decide whether they should extend credit or not. That is a species of mind reading which I make no claim to possess. My own experience is opposed to placing much dependence upon it. Some who impressed me favorably have proved entirely unworthy of credit, while others who at first sight were repellent have turned out to be good in every way.

A business statement, however, is a different matter and is desirable chiefly to show, from the man's own standpoint, what you may reason-



ably expect of him. In addition to showing that he is safely within lines of solvency, it will show by the proportion of active assets and liabilities whether he can *pay promptly*.

If the liabilities are large in proportion to the assets or if a large proportion of outstanding accounts is shown the chances are he will be slow pay.

A statement will also show whether stocks are adequately protected by fire insurance. So many losses are attributable to lack of insurance that good credit men are refusing accounts not so covered.

The business statement of a man is good as far as it goes but should be corroborated by his reputation. This may be learned from commercial agency reports or from trade reports, which, I think, best of all reflect his true character and business standing.

Suppose you have a trade report showing the *facts*,—I say *facts*, not fancies or guesses, but the facts and figures from the ledgers of perhaps, ten to twenty houses, each showing that the man is keeping within limits, that he owes no overdue accounts, that he has always paid promptly, and that he makes no unjust claims, what does that say for his reputation?

I interpret it thus: The fact that he pays promptly and has always paid promptly shows, first, that he has capital, one of the necessary factors in the credit basis, for no man can habitually pay promptly who has not sufficient active capital. You will no doubt suggest that the capital may be borrowed. True; but his statement should be satisfactory on that point.

Second, the fact that he pays every creditor promptly, that he is not abusing or over-straining his credit, and that he does not make unjust claims, shows that he has character and ability.

From these facts we are warranted in making the deduction that as he has paid others promptly, so he will pay us, and we are therefore safe in crediting the account.

If, on the other hand, the facts from a number of houses show that with all of them he is in bad repute because he has been from days to months slow; that he has to be drawn upon and often does not pay drafts; that he settles by notes and often does not pay them at maturity, or perhaps that he has been sued or collections made by an attorney—does not this show that he lacks one or more of the essentials?

Either he has not sufficient capital or he has not the ability to manage it properly. Certainly he has not the first rate business character that would direct capital and ability so as to prevent such a dangerous situation. The wise credit man will lose no time in turning down such an account.

Again, suppose reports from a similar number of houses show some payments a little slow, others fairly prompt, we can easily read between the lines that either the man is straining his capital somewhat or is just a little lax in his management.

Of course the trade report is only serviceable where an account has been in existence long enough to have acquired a reputation.

The credit of parties just starting in business must be judged by their personal statements verified by proper references. Such accounts should later be tested by their reputation as exemplified in trade reports.

I am quite sensible of the fact that a great deal more might be said on this subject, but the time already taken will not permit its further consideration.

And now in conclusion a word to you as credit men.

As we have seen, our profession has to do with problems as old as the race. Ancient masterpieces always appeal to us, whether in monuments carved from the granite rock or customs that have survived the

ages, or whether like faith and credit they are the natural offspring of our humanity. We are thrilled by those inspiring words of the great Napoleon to his discouraged battalions by the pyramids on the burning sands of Egypt, "Soldiers, forty centuries look down upon you." As credit men we, too, have our silent inspiration, not forty but sixty centuries bear witness to the greatness of our work. It is not given to us to lead the battle line and gain the plaudits of our country by deeds of valor on the field of strife, it is ours rather to gain the victories of peace.

There have been entrusted to us the most vital interests of the world. It is our duty, nay, it is our lofty purpose to uplift the standard of business morality, to set high value upon business integrity, to crush out dishonest and nefarious practices and promote methods and systems that make for honesty and security. Is it not a noble work? Is it not worthy of our best endeavors? Do we realize the true significance of the part we play in the world's great drama? Is it not a patriotic part?

For as we constantly set a higher standard of commercial honor and business integrity before men, are we not promoting the honor and the integrity of our country? For we are educating not only ourselves, but future generations in those principles of right which are the highest glory of any nation. And how this work re-acts upon ourselves; does it not make us truer and purer and more unselfish? If it does not, then, Gentlemen, we are missing something that should be ours. And, when having faithfully served our day and generation, at last we are ready to hand in our final account, may we be found rich in the currency of that country, where *our credit* shall be good, only as here we have laid up the true riches and as we have here secured the only collateral which will pass us into mansions of eternal peace. (Great applause.)

Mr. H. H. Nance, of Nashville—I desire to move that a vote of thanks be extended to Mr. Given for his most excellent address, and that the Secretary of the National Association be instructed to publish the address in pamphlet form to be distributed among the entire membership.

Motion seconded and unanimously carried.

President—The Chairman of the Entertainment Committee has some announcements to make on behalf of the Memphis Association. (Great applause and cries of "Apperson, Apperson.") I think it would be quite proper if Mr. Apperson would preface his announcement with some remarks. (Applause.)

Mr. J. W. Apperson, of Memphis—Mr. President and Gentlemen: I regard each and every one of you with the kindest feelings, but I had no thought that you would thus embarrass me on this occasion. (Laughter.) You should be careful how you surprise a man of my bashfulness and well-known timidity. I came here solely to make a few announcements. I have no speech prepared such as friend Given had. I am somewhat in the situation of a young minister who delivered "excellent" sermons every Sunday, but who was taken to task by the bishop, who said: "Your sermons are not properly prepared; you should write them out and deliver them." "Well," he said, "my dear bishop, you must realize that if I write out my sermons prior to Sunday that the devil knows everything that is in them, and he has that opportunity of going among the congregation and counteracting the influence of the sermon before it is delivered. As the matter now stands, I deliver my sermons extemporaneously, and the devil don't know what I am going to say, and neither do I." (Great laughter and applause.)

I would like first to make the announcement that perhaps with some of you the names of Memphis and Apperson have been somewhat synony-

mous. I wish to say, however, to-day, beginning on last evening that I ceased to belong to Memphis. I belong for the next three or four days to the National Association of Credit Men. (Applause.)

Gentlemen, I beg to say in regard to the entertainments for to-day that the first entertainment will be the ladies' reception in the parlors of the Gayoso Hotel, from three to four. Now this is not strictly a ladies' affair, and the ladies would be glad to have any of you gentlemen mingle with them during that reception.

At 4.30 prompt the entire party will take special cars at the Main Street entrance of the Gayoso Hotel and go from there to Overton Park, where the party will be entertained and dinner served about 6.30 P. M.

After dinner in the Park, we will take the cars for East End Park, the amusement Park of the city. I wish to announce now that ten minutes before these cars leave a bomb will be fired, and that will give you ample time for preparation. Some of you might think perhaps that a United States cruiser had come up the river and was firing a salute unless I explained that a bomb means that any special trouble scheduled on the program will begin in ten minutes.

I will state further that all of the clubs of the city have extended their hospitality to every member of the National Association of Credit Men. (Great applause.) You do not need any card, you do not need any introduction, you do not need any vouchers—the doors are open—your badges are sufficient credentials. The clubs, as near as I can recall, are the Tennessee Club, the Chickasaw club, the Business Men's Club, the Memphis Driving Park Club, the Montgomery Park Club, the Country Club and one or two others. To tell you the truth, I am not a club man and I do not know them all.

To-morrow we leave the Gayoso Hotel at 8.45 sharp, so as to leave the depot at 9 o'clock, bound for the Menesha Outing Club, Menesha, Arkansas. It is a trip to the sunken lands of Arkansas. It is a trip to the beautiful Lake Menesha and Menesha Park. You must all go on this excursion; it is going to be the feature of the entertainment—something that probably you have never seen before, including a view of the levee system of the Mississippi River. You will also see a cotton-gin in operation ginning and pressing cotton. You will see one of the most magnificent plantations in the State of Arkansas—thousands of acres of land in one level body, all under cultivation. We believe it will be interesting to you all.

Fishing tackle will be on hand for each and every one of you—also bait! (Great laughter and applause.) Some people have spoken to me rather nervously in regard to the snakes in Arkansas, and I tell them we have an antidote for snake bite if anything of the kind should occur. (Laughter.)

Now, gentlemen, I want to say one word more, that I have guaranteed the weather here during this Convention. I stated to our worthy Secretary in a letter last winter that we were having a very severe winter, and I took occasion at that time to place a large quantity of that weather in cold storage for use on this occasion, if thought desirable. Indeed, I spoke to the engineer of the cold storage plant this morning, and asked him if he did not think we had better turn a little of the cold storage weather on, this morning, but he advised strongly against it, saying that the people were not used to it, that the weather was all right as he was giving it out. I have guaranteed the weather, as I say, and if there are any kicks, come to me—ask me! (Applause and laughter.)

President—The next order of business will be the report of the Membership Committee. Mr. George R. Barclay, Chairman, St. Louis, Mo., will read the report.

## Report of the Membership Committee of the National Association of Credit Men

*To the President and Members of the National Association of Credit Men:—*

Your Committee on Membership beg leave to submit herewith their report for the fiscal year ending June 1st, 1905. The increase in membership, both organized and individual, has been very gratifying to your committee, and is conclusive evidence that the good work of the Association is appreciated by the business men of the country, and it seems only necessary to a continued increase in our membership to bring before the people the purposes and accomplishments of the Association, and with these facts intelligently placed before the prospective member, it cannot fail to interest the up-to-date business man. Therefore your committee recommend to its successors renewed activity in this particular branch of Association work, and with the combined efforts of the committee the Secretary and his able assistant good results are sure to follow.

The wisdom of the Board of Directors in appointing Mr. F. J. Stockwell, Assistant Secretary and placing him in the field as a regular organizer, has been demonstrated, and the results have been in every way satisfactory; your committee recommend a continuance of the plan and believe the present incumbent in every way a suitable man for the position and deem it wise and in the interest of the Association that he continue in the work, and if necessary additional power accorded him.

Since our last convention Mr. Stockwell has been almost continuously on the road, and within the year has visited nearly every city of importance in the country and has succeeded in not only adding largely to our individual membership, but has organized several local associations, thus adding to our strength and creating new fields for further efforts. In his visits to those cities where local associations were already established, he has stimulated and encouraged the members, so that they have taken up the work in their respective cities and largely increased their own membership. The life of the National body and its usefulness in the future depends largely on the activity and co-operation of the local associations, and your committee recommends a continuance of the plan as suggested by the Board of Directors and so intelligently administered by your Secretary and his assistant.

Early in the year the National Office, believing that the individual membership in the States of New York and Pennsylvania could at that time be materially increased, secured the services of Mr. A. H. Alexander, of Pittsburgh. The result of Mr. Alexander's work has proved to be highly satisfactory.

The membership of the Association, June 1st, 1904, was as follows:

Organized .....	4,528
Individual .....	799
Total .....	5,327

June 1st, 1905, it had been increased to:

Organized .....	5,085
Individual .....	976
Total .....	6,061
A net increase in the organized of .....	557
A net increase in the individual of .....	177
A total increase of .....	734



This large and substantial gain in the membership verifies the presumption that it is only necessary to let the mercantile world understand what our organization has accomplished and what it proposes to do, to enroll on its membership the name of every progressive merchant, manufacturer and banker in this great country.

The issuance of collection blanks as recommended by the preceding committee has met with favor, and we are advised that over fifty thousand of said blanks have been called for by the membership; this plan seems to be particularly interesting to those of our members who are not affiliated with local associations, and the Assistant Secretary finds it a strong point in canvassing those districts where local associations are not practical for one reason or another.

In order that members may be fully informed as to the territory covered for membership purposes, your committee furnishes the following list:

PLACES CANVASSED FOR MEMBERSHIP.

<i>Alabama.</i>	<i>Texas.</i>
Huntsville.	Austin,
<i>Arkansas.</i>	Beaumont,
Fort Smith,	Dallas,
Little Rock,	Fort Worth,
Pine Bluff.	Galveston,
<i>Connecticut.</i>	Houston,
Bridgeport,	San Antonio,
Bristol,	Texarkana,
Broad Brook,	Waco.
Buckland,	<i>Maine.</i>
Burnside,	Portland.
Danbury,	<i>Mississippi.</i>
Forestville,	Jackson,
Meriden,	Meridian,
New Britain,	Vicksburg.
New Haven,	<i>New Hampshire.</i>
Seymour,	Concord,
Waterbury.	Keene,
<i>Delaware.</i>	Penacook.
Wilmington.	<i>New Jersey.</i>
<i>Georgia.</i>	New Brunswick,
Athens,	Trenton.
Augusta,	<i>New York.</i>
Columbus,	Albany,
Macon,	Auburn,
Rome.	Binghamton,
<i>Indian Territory.</i>	Corning,
Muskogee.	Cortlandt,
<i>Louisiana.</i>	Elmira,
Shreveport.	Ithaca,
<i>Massachusetts.</i>	Geneva,
Chicopee Falls,	Kingston,
Holyoke,	Little Falls,
Lestershire,	Newburgh,
Mittineague,	Poughkeepsie,
Springfield,	Rome,
Westfield.	Syracuse,
	Troy,
	Utica,
	Waterford.

*Oklahoma Territory.*  
 Oklahoma City.  
*Pennsylvania.*  
 Scranton,  
 Wilkes Barre.  
*Tennessee.*  
 Bristol.

*Vermont.*  
 Bellows Falls.  
*Virginia.*  
 Roanoke.  
*West Virginia.*  
 Bluefield.

We now have representation in every State and Territory in the United States except Alaska, Arizona, District of Columbia, Idaho, Montana, Nevada, New Mexico, Utah and Wyoming, and your committee attribute the lack of membership in these different places wholly to the fact that we have not as yet had the necessary time to go before the business men of said States and Territories and open their eyes to the benefits of affiliating with our organization, and we feel sure ere another year passes we will show a good membership in each and every State and Territory within the borders of the United States.

Our individual membership is distributed as follows:

Alabama	17
Arkansas	41
California	5
Colorado	6
Connecticut	65
Delaware	1
Florida	20
Georgia	40
Illinois	69
Indiana	12
Indian Territory	2
Iowa	40
Kansas	6
Kentucky	29
Louisiana	13
Maine	26
Maryland	11
Massachusetts	41
Michigan	35
Minnesota	36
Mississippi	10
Missouri	18
Nebraska	1
New Hampshire	6
New Jersey	10
New York	148
North Carolina	18
Ohio	37
Oklahoma	11
Pennsylvania	37
Rhode Island	3
South Carolina	7
South Dakota	1
Tennessee	28
Texas	44
Vermont	9
Virginia	2
Washington	2
West Virginia	56
Wisconsin	13

The records of Secretary Meek show that the different local associations hold meetings, some monthly and others semi-monthly and quarterly. That good work be accomplished by the local associations your committee strongly urge some uniformity in these meetings, and think the members should come together at least once a month. We feel that these meetings can be made pleasant and profitable to every member of a local association, and it adds a stimulus to the work which is sure to create new interest in Association matters and put the National body on a high plane, where there can be no doubt as to its perpetuity. We appeal to every member of the Association to do his part and make our organization as stable as the National Government itself. We have the ways and means, and it all depends upon your co-operation; will you give it?

Your committee recommend the discontinuance of the Membership Certificates now being used; they do not seem to be appreciated by new members, and therefore it seems to be a useless expense. As to the matter of renewals, while your Secretary has reported some cases to the committee, we have no suggestions to offer; feeling that such matters are intelligently taken care of by said officer, nevertheless, your committee have always been glad to co-operate with, and, no doubt, subsequent committees will do likewise and possibly suggest some plan that will overcome this perplexing question.

Since June 1st, 1904, the following local associations have been organized and almost entirely due to the intelligent work of your Assistant Secretary, Mr. F. J. Stockwell:

Chattanooga, Tenn.; Dallas, Tex.; Ft. Worth, Tex.; Norfolk, Va.; Houston, Tex.; Wheeling, W. Va.

In addition, your Assistant Secretary has secured throughout the South a large number of individual members, and we are now particularly strong in this most prosperous part of our country, "The New South."

Plans are being perfected looking to the organization of local associations at Akron, Ohio; Toledo, Ohio; New Haven, Conn.; Indianapolis, Ind.; Sioux Falls, S. D.; Peoria, Ill.; Cedar Rapids, Iowa, and Little Rock, Ark. Your able Secretary and his assistants are giving these matters careful attention, and the outlook for the coming year is very bright.

Your committee regret to announce the dissolution of the Knoxville Credit Men's Association, which was organized about one year ago.

A comparative statement of local association membership as of June 1, 1904 and 1905, is herewith presented.

	JUNE 1, 1904.	JUNE 1, 1905.
Atlanta, Ga. ....	50	51
Baltimore, Md. ....	150	197
Birmingham, Ala. ....	34	34
Boston, Mass. ....	142	138
Buffalo, N. Y. ....	60	86
Chattanooga, Tenn. ....	—	31
Chicago, Ill. ....	415	397
Cincinnati, Ohio ....	158	170
Cleveland, Ohio ....	115	170
Columbus, Ohio ....	68	103
Dallas, Texas ....	—	45
Denver, Colo. ....	145	148
Detroit, Mich. ....	130	123
Duluth, Minn. ....	—	34
Evansville, Ind. ....	34	35
Fort Worth, Texas ....	—	39

Grand Rapids, Mich. ....	88	117
Houston, Texas .....	—	29
Kansas City, Mo. ....	87	40
Knoxville, Tenn. ....	34	—
Lincoln, Neb. ....	32	26
Los Angeles, Cal. ....	54	58
Louisville, Ky. ....	90	78
Lynchburg, Va. ....	37	30
Memphis, Tenn. ....	64	89
Milwaukee, Wis. ....	140	159
Minneapolis, Minn. ....	93	109
Nashville, Tenn. ....	77	71
New Orleans, La. ....	51	51
New York, N. Y. ....	517	558
Norfolk, Va. ....	—	44
Omaha, Neb. ....	50	48
Philadelphia, Pa. ....	315	336
Pittsburgh, Pa. ....	129	233
Portland, Oregon ....	66	67
Richmond, Va. ....	46	64
Rochester, N. Y. ....	153	153
St. Joseph, Mo. ....	42	47
St. Louis, Mo. ....	412	361
St. Paul, Minn. ....	62	58
San Diego, Cal. ....	16	15
San Francisco, Cal. ....	203	224
Savannah, Ga. ....	26	34
Seattle, Wash. ....	20	22
Sioux City, Iowa ....	46	47
Wheeling, W. Va. ....	—	37
Wichita, Kansas ....	29	37
Youngstown, Ohio ....	48	42
	4,528	5,085

In closing, your committee take this occasion to compliment the Association in its selection of Secretary and his assistant, both gentlemen having given us most cordial co-operation in our work, and we recommend a continuance of the same staff, feeling that they are intelligent and active in their efforts to further the best interests of the Association.

Respectfully submitted,

J. B. JACOBS,

J. B. CHAMBERS,

L. D. VOGEL,

ROLLO BRUCE,

GEO. R. BARCLAY, Chairman,

President—The report will be received. There are no resolutions recommended in the report. Are there any to be offered by the Convention?

Mr. B. E. Borges, of Chicago—As these reports are printed in the program, I move that when we come to the next order of business, the report of the Business Literature Committee, the reading be omitted, and that the report be accepted the same as if read.

President—The report of the Business Literature Committee is before you for consideration.

Mr. Robbins—The suggestion of the delegate from Chicago is very satisfactory to me.

Motion seconded and unanimously carried.



## Report of the Business Literature Committee of the National Association of Credit Men.

*To the President and Members of the National Association of Credit Men :*

The work of our Association in the future as in the past ought to be along educational as well as practical lines, and the output of literature from our organization should indicate progress from year to year. During the few short and busy months of our service we have endeavored to obtain results in harmony with this idea, and we feel that if we have achieved some small measure of success, or if we can point the way for a future policy which will stimulate interest in our Association, nourish its growth and broaden its usefulness, that we shall not have labored in vain.

The early meetings of your Committee were devoted to discussion of ways and means, how to give the membership a better BULLETIN with our limited income, what to provide in the way of pamphlets, and how to assist Secretary Meek in securing from the credit men themselves suitable copy.

The BULLETIN has been printed on better paper, is now uniform in size, and consequently in our opinion presents a more attractive appearance. Ninety thousand three hundred copies were published in twelve months, an average of 7,525 each month, and at a net expense of \$3,272.34, of which \$958.00 was expended for postage. It was necessary to keep the paper within a weight limit on account of postage rates. We issue to our membership over 6,000 copies at this time, have an exchange list of 640, and the balance of each edition is sent to local associations on request. We have every reason to believe that the present circulation of 8,500 copies monthly is well distributed.

We presume our members have noticed in various publications articles which have been first printed in the BULLETIN. In most cases, we regret to say, we get no credit for the BULLETIN, although the author is named. We surely have no objection to the widest possible circulation of the contents of our magazine, but your committee believes that we should have the customary recognition. We should not aspire to make a profit in this direction or to restrict any class from benefits to be derived, but we believe the respect of publishers to the extent of such acknowledgment as is granted to other contemporaries should be demanded for the BULLETIN. Believing that these are obvious rights which we should take advantage of in the interest of a broader publicity for the Association and what it stands for, we shall recommend the adoption of a resolution with the view of copyrighting such matter as the Secretary may designate, and making it discretionary with the Secretary to grant the free use of such matter with the usual courtesies.

We wish to call the attention of Local Associations to the necessity of reporting the progress of their work to our National office for publication in the BULLETIN, and thus give greater publicity to their affairs. Your committee believes that it is the privilege of the membership to use the pages of the BULLETIN. If this were done freely, it would not be necessary for our Secretary to resort to Press Clipping Bureaus, as he has at times found it necessary to do. On different occasions valuable news matter has been secured in this roundabout way. Our National Secretary has a certain delicacy in touching up Local Secretaries.

Is the BULLETIN generally appreciated by the membership? We confess that we are at times skeptical, but in general the opinion of your committee is that our printed matter is highly valued. Some are inclined to criticize the fact that our paper is not representative of the splendid

number of credit men behind it, but considering our small appropriation, the postage expense and the fact that the larger amount of our subject matter is original, and other features, we trust a good impression is made. We earnestly hope that our next committee may command larger facilities. We wish here to acknowledge the warm compliments which some of our friends have bestowed upon your committee, and to add that we have been helped and inspired by such praise.

Regarding subject matter, we observe that the tendency of legislation in Bulk Sales laws has naturally caused this subject to take precedence over all others. Nine excellent articles on this topic were presented in the last year. A close second in interest is the subject of Bankruptcy practice, and the attempted repeal of the law, which brought out six addresses. The attention of credit men is especially called to a review of the practical operation of our National Bankruptcy law in our January issue, and to the minority report of the House Judiciary Committee on the Clayton Repeal Bill in our March number. Insurance has been treated in three excellent articles, and other subjects of widely varying but of interesting character were all well handled.

Your committee wish at this time to suggest the necessity of providing the Secretary with assistance in editing and publishing the BULLETIN. This suggestion comes from the committee, as they foresee larger demands upon the National Secretary from the different departments, and especially the prospect of a more extensive BULLETIN which will now be possible, lower postage rates having been secured. Membership increase and renewals are important, but we should devote our energies to the publicity and educational features of our work. A resolution along this line will be submitted.

In the opinion of your committee the reproduction in pamphlet form of articles which have appeared in the BULLETIN is unnecessary, any additional demands for such articles can ordinarily be met from the BULLETIN files. We have on hand a good stock of pamphlets on different subjects (see May BULLETIN for list), and would recommend their circulation. They are found especially useful by membership committees. The publication known as "Laws Regulating the Sale of Stocks of Goods in Bulk" has run three editions, and a supplement is to be issued shortly, after certain Legislatures shall have adjourned. Demands come to us from all parts of the world for this pamphlet, showing the widespread interest.

There is due from this committee an explanation of the cause for the delay in the action of the national government in reducing our rates of postage. Secretary Meek has devoted much time to this subject since last September, and has advised with the post office authorities repeatedly. After many complications were cleared away, your committee is now able to announce the admission of the BULLETIN to the privileges of the second-class postage rates. On the March, April and May issues of the BULLETIN full postage was paid with the understanding that in case our application was favorably acted upon, the government would refund the excess postage collected by them on these issues.

The question of advertising in our monthly BULLETIN has come before your committee again for discussion. At the Convention at New York last year it was thought impracticable on one account at least, and that was because we did not have the proper rate of postage. For this reason the supporters of the proposition were not in a position to urge their views. It would seem that advertising, if within proper limitations, would supply a much-needed income to the Association and not be incon-

sistent with the dignity or objects of the Association. So that this measure may have a full discussion again before the delegates, your committee will offer a resolution.

In view of our report, as above detailed, we offer the following resolutions:

*Resolved*, That the Secretary be authorized to protect our publications by copyright, and that this officer use his discretion in allowing these articles to be re-published by exchanges without cost.

*Resolved*, That the Secretary be and is hereby authorized to make such arrangements as he may deem necessary to secure assistance in conducting the publication of THE MONTHLY BULLETIN.

*Resolved*, That advertising of a suitable character be solicited and accepted with proper charge for the same, the proceeds to be used for the improvement of our publications.

Respectfully submitted,

A. L. SOMERS,  
W. F. LYON,  
J. B. PEARCE,  
F. H. RANDEL,  
THOS. P. ROBBINS, *Chairman*.

President—The Secretary will please read the first resolution offered by the Committee.

The Secretary read the resolution, as follows:

*"Resolved*, That the Secretary be authorized to protect our publications by copyright, and that this officer use his discretion in allowing these articles to be republished by exchanges without cost."

Mr. Robbins—I move the adoption of the resolution.

Motion seconded and unanimously carried and resolution adopted.

President—The Secretary will read the second resolution.

The Secretary read the second resolution, as follows:

*"Resolved*, That the Secretary be and is hereby authorized to make such arrangements as he may deem necessary to secure assistance in conducting the publication of the THE MONTHLY BULLETIN."

Motion made and seconded that the resolution be adopted.

Mr. H. H. Nance, of Nashville—I do not exactly understand what is meant by that resolution, or what is needed, and I would ask the Chairman of the committee to inform me.

Mr. Robbins—The Committee feel that the Secretary has manifold duties, and we believe he should have some help in making the BULLETIN a more important factor in our work. We think he has done very well, but we feel that we ought to have a better BULLETIN. The educational feature of the BULLETIN is the principal thing. It should not be confined in scope to a mere announcement of meetings, nor to a mere clearing house of general news. It ought to be something strong, and we think the Secretary should have an assistant, and if we carry out certain ideas with reference to the securing of advertisements and the reduction of postage rates, etc., we believe that we can give him the necessary assistance, and think he ought to have it. That was the idea of the resolution.

Mr. B. E. Borges, of Chicago—I think the second conclusion is contingent on the passage of the third resolution. If the purpose is to secure

funds for assistance to the Secretary by means of advertisements, the two resolutions ought to be considered conjointly.

Motion unanimously carried and resolution adopted.

President—The Secretary will now read the third resolution on page 13 of the program.

The Secretary read the resolution as follows:

*"Resolved, That advertising of a suitable character be solicited and accepted with proper charge for the same, the proceeds to be used for the improvement of our publications."*

Mr. Borges—In the resolution last read is brought up a topic that has been before the Association ever since the BULLETIN has been published; and I think we should consider carefully whether we want to enter upon a proposition that is so enormous in its extent as this advertising feature will be. I have maintained, and I think many members of the Association have reached the same conclusion, that the BULLETIN is an educational enterprise, and while there is, no doubt, much room for improvement in makeup, yet we must not make the BULLETIN cumbersome as are many other pamphlets and bulletins that go so readily into the waste-paper basket of the busy business man. In the form in which the BULLETIN is now sent out, it comes really in the form of a personal letter as to the work of the month, and is pondered and perused, but let it come as a bulky periodical, weighed down with "ads," and it will not be given as careful attention as it attracts at present.

Furthermore, the work of securing advertising would have to be delegated to an experienced man, thoroughly conversant with the business, and it is a question whether we could get enough high-grade advertising, without really peddling it out, to make a very profitable thing of it; and I for one am totally opposed to the plan. We would have to discriminate in the selection of the matter, and that would cause hard feeling, and the excuse that the space was taken would not lessen the antagonism on the part of an excluded advertiser.

For these and other reasons I am unalterably opposed to the resolution and should favor continuing the BULLETIN along present lines, unless the Secretary can show that there is a deficit which must be provided for, which I do not believe is the case.

I think certain small improvements could be made in the BULLETIN without going to very great extra expense, such as the adopting of a presentable cover: but I think the resolution is extreme, unwarranted and injudicious.

Mr. M. E. Bannin, of New York—I quite agree with the last speaker. It is dangerous to enter into the field of soliciting advertisements. I greatly regret being obliged to oppose the recommendation of any committee which has worked hard during the year and then brought in a conscientious report for our consideration, but I feel compelled to do so in this case.

Let me ask you, is it the intention of the Committee to defray the expense of the publication of the BULLETIN entirely from funds secured by letting advertising space?

Mr. Robbins—No, the idea was to create an additional fund for the purposes of the BULLETIN.

Mr. Bannin—It does seem to me that this Association has reached a stage where we should be self-dependent and interdependent. Let us not solicit advertisements if we can avoid it. We have kept to ourselves up to the present time, why not continue on the same lines? Why should we ask outsiders for advertisements to help us pay for our publication,



when we have afforded and can afford to pay the cost of running it ourselves?

I quite agree with the gentleman from Chicago, that we should hesitate long before adopting such a measure.

Mr. Charles Biggs, of New York—I most certainly appreciate all that has been said by the gentlemen who have preceded me, and I also fully appreciate the efforts that have been made by the Committee. Their endeavor is to raise a sufficient fund for the purpose of improving the character of the BULLETIN, and sending this BULLETIN to every member of the Association. But, gentlemen, from the inception of our organization we have avoided the possibility of commercialism in connection with it. (Great applause.) It would greatly derogate from the dignity of the National Association of Credit Men for a moment to consider the acceptance of any advertising matter from any one whomsoever. (Applause.) I shall be very sorry if the time ever comes, while I continue to be a member of this honorable body, when an advertisement is accepted or we enter the lists in competition with the immense number of advertising journals, to solicit advertisements to support us. As Mr. Bannin said, we should be strong enough to do all that work ourselves, and raise the money necessary for our work, and if we cannot do it, let us do away with the BULLETIN. (Great applause.)

I hope the resolution will not prevail, and I am sure that the gentlemen of the Committee (whose presentation of the matter I respect, for I believe I fully understand their attitude) when they give the matter further consideration, will support the opposition to the resolution, and will endeavor to uphold the standard of the Association, as urged by our President, Mr. Standart. We should occupy an altruistic attitude with regard to the aims of our Association. (Great applause.)

Mr. Grossenbacher, of Cleveland—I can appreciate the remarks of Mr. Biggs and Mr. Bannin, but the point, I think, that has been lost sight of by a great many of you gentlemen, is one that I believe that the Committee, although I am not a member of it, has appreciated more than any other, and that is, are you satisfied with the present condition of the BULLETIN, and that it should be continued in its present form without any further improvement. Your Committee feels that there is room for improvement, and that this is one of the ways in which it can be obtained.

Mr. Bannin—The BULLETIN is to my mind essential to our organization. It is good; it is well that we should have it. Cannot the Committee devise some way other than through advertisements for raising funds for the publication of it, and that only? I ask the Chairman of the Committee, have they considered any way of getting the amount desired other than through advertisements?

Mr. W. A. Prendergast, of New York—According to the report submitted by the Secretary he has been successful in inducing the Post Office Department to admit the BULLETIN to second class rates. If I understand the figures of the National Secretary's office correctly, this ought to make a saving to the Association this year of about \$450. If the Association during the past year, and during previous years, when it was not so well situated financially as it is at present, has been able to pay all the expenses attending the publication of the BULLETIN, as well as the very large bills for postage, it seems to me that now when we are in a more prosperous condition than ever before (thanks to the able management of the present administration) this difference of \$450 which we will save in our postage bill this year can be applied to such needed improvements in the BULLETIN as are absolutely essential. (Great applause.)

The improvements required are essentially improvements in the gen-

eral appearance of the BULLETIN, and I am confident, Mr. President, having had some familiarity with the presentation of this subject at Washington in its initial stages, that if the BULLETIN had been a more pretentious, acceptable, presentable looking periodical, the Department at Washington would not have hesitated as long as it has in according it the great privilege of second class rates.

Now I appreciate from the report of our able Secretary that the Post Office Department has intimated the possibility of revoking this privilege at its option, and that therefore this saving might not last throughout the year, but I am satisfied that if this money saved in postage is used in improving the general appearance of the BULLETIN, such improvement will so recommend the paper to the Department at Washington that there will be no further question as to its being permanently accorded second class rates.

The idea upon which we have obtained this concession is that the BULLETIN is a professional publication or periodical, and by improving its appearance you will enhance the general tone of the publication. Therefore, Mr. President, I am heartily in accord with those gentlemen who have opposed the resolution to solicit advertising, a plan which has been advocated unsuccessfully in previous years. I believe that we can so utilize the saving in postage, in improving the BULLETIN, as to avoid permanently the necessity of indulging in this advertising business, which is not one of the objects for which this great organization was formed. (Great applause.)

Motion lost.

President—The resolution is not adopted.

Are there any further resolutions to be offered on the subject before us which is the report of the Business Literature Committee? If not, we will proceed to the report of the Committee on Credit Department Methods, Mr. Henry T. Smith, of Chicago, Chairman.

Mr. Smith—As it is very difficult to be heard in this room, in order to save time I move that the reading of the report be dispensed with and that the Secretary be requested to read the first resolution.

Motion seconded and unanimously carried.

The report is as follows:

#### **Report of Committee on Credit Department Methods.**

*To the President and Members of the National Association of Credit Men:*

It is with gratification that your Committee presents its Annual Report, showing, as it does, a continuation of interest on the part of the members of the Association, and a material increase in the extent of that part of the Association's affairs coming under the management of this Committee.

There has been a marked increase in the output of the Association's uniform blanks, as will be shown in the report of sales. This can in a large measure be attributed to the fact that the National office, by correspondence, has directed the attention of the entire membership to these blanks, and solicited their adoption.

The most notable increase in the use of the Association's blanks is that of the form for the exchange of credit experience, only one form of this character having been issued during the past year, the sales of the same amounting to 213,600 copies against a total of 132,400 copies for the preceding year, at which time there were four different forms issued.

### Sales of Trade Inquiry Forms.

1903-1904.		1904-1905.
Form No. 1.....	7,900	
Form No. 2.....	13,500	
Form No. 3.....	31,500	
New Standard Form.....	79,500	213,600
Total.....	132,400	213,600

Your Committee is convinced that the Standard Trade Inquiry Form is admirably adapted to the use for which it is intended. Many letters have been received in the National office, referring in the highest terms to the form and endorsing its use. Your Committee is of the opinion that the use of this form is not thoroughly understood outside of our Association. Many who receive these inquiries neglect to retain the copy intended for them, and in view of this your Committee recommends the following:

#### Proposed Form.

#### OUR EXPERIENCE.

KEEP THIS FOR YOUR FILES.

Mess..... } New Britain, Conn.....  
 ..... } We have..... order, \$.....  
 from..... P. O.....

Kindly favor us with your experience and opinion.

Yours truly, GOOD FORM AND COMPANY,

This Blank is Adopted and Recommended by  
 the National Association of Credit Men, of which  
 we are members.

BOOTS AND SHOES.

How Long Sold? .....  
 Terms: .....  
 Highest Recent Credit, \$.....  
 Owes \$..... Past Due, \$.....  
 Pays .....  
 Other Information: .....

#### Original Form.

THIS BLANK IS ADOPTED AND RECOMMENDED BY THE  
 NATIONAL ASSOCIATION OF CREDIT MEN, OF WHICH WE ARE MEMBERS.

KEEP THIS FOR YOUR FILES.

Mess..... } New Britain, Conn.....  
 ..... } We have..... order, \$.....  
 from..... P. O.....

Kindly favor us with your experience and opinion.

Yours truly, GOOD FORM AND COMPANY,

BOOTS AND SHOES.

How Long Sold? .....  
 Terms: .....  
 Highest Recent Credit, \$.....  
 Owes \$..... Past Due, \$.....  
 Pays .....  
 Other Information: .....

The sale of property statement forms continues to show a steady increase, and in order that members may know which of these forms is most in demand the following statement of sales is presented:

*Property Statement Blanks.*

	1903-1904.	1904-1905.
Form "A" .....	4,000	8,500
Form "B" .....	6,600	5,250
Form "C" .....	1,400	2,775
Form "D" .....	4,200	10,375
Form "E" .....	4,800	5,400
Form "F" .....	5,225	9,950
Form "G" .....	2,975	2,250
Total.....	29,200	44,500

Your Committee has aimed to improve and strengthen the property statement forms; the changes made during the past year have been in the question:

"Cash in hand and in bank....."  
to  
"Cash in hand....."  
"Cash in bank....."

and the addition of the following:

"The above statement, both printed and written, has been carefully read by the undersigned, and is a full and correct statement of my (or our) financial condition as of.....190..."

Your Committee at this time recommends further changes by the incorporation in the Property Statement Forms of these questions:

"What kind of business do you conduct?"  
"What books of account do you keep?"

In the Committee's report of last year the recommendation was made and adopted that the Association prepare an official form of collection letter, and this recommendation having been accepted by the Convention, a form was prepared, and the attention of individual members directed to the same. Your Committee deemed it advisable to proceed cautiously, and its judgment in this respect has been justified. It was indicated that a large demand for these letters could be created, and that it would be necessary for the National Office to systematize the handling of the items reported. The sale of these forms simply through the means of a circular announcing the ability of the National Office to supply the same, amounted to fifty thousand copies. The return to the National Office of coupons detached from the forms shows that letter "A" has been used to the extent of \$86,654.38; letter "B," \$11,101.30. A card system has been installed in the National Office by means of which debtors are listed according to location.

The attention of your Committee has been called to the use on the part of individuals or companies of a name or title closely resembling the style and name used by the National Association of Credit Men or its allied branches. It is unnecessary for your Committee to comment further on this subject other than to recommend that where such cases are brought to the notice of members, the facts be promptly reported to the National Office.



At the last Convention the following resolution was adopted:

*Resolved*, That the National Association of Credit Men, in Convention assembled, recommends the establishment of Adjustment Bureaus by the local associations, based upon the plan of the Denver Adjustment Bureau.

The wisdom of the Convention in taking favorable action on this question has been fully confirmed by the interest displayed, and the advancement which the movement has enjoyed.

The first local association to operate an Adjustment Bureau was the Denver Credit Men's Association. That Association is now in position to furnish statistics of its work, which your Committee has felt justified in making part of this report, as well as directing attention to the fact that the privileges of the Denver Adjustment Bureau is open to the members of the National Association of Credit Men and its affiliated branches.

### Report of Denver Adjustment Bureau from February 15, 1904, to February 15, 1905.

Thirty-nine (39) cases have been received by this Bureau with full amount of liabilities of.....\$147,810.99

#### THESE CASES HAVE TURNED OVER TO US:

Merchandise .....	\$30,903.88
Fixtures .....	9,365.45
Book Accounts—considered good.....	11,613.47
Book Accounts—considered bad.....	26,313.42
Cash .....	6,094.21
Other Property.....	35.38
	<hr/> \$84,325.81

#### REALIZED FROM ABOVE ASSETS:

Sale of Mdse. at retail.....	\$1,471.30
Sale of Mdse. in bulk.....	25,984.59
	<hr/>
Sale of Fixtures.....	7,176.70
Collection from Book Accounts.....	10,693.08
Cash as above shown.....	6,094.21
Realized from other assets.....	35.38
	<hr/> \$51,455.26

#### DISPOSITION.

Trustee purchased merchandise.....	\$853.14
Attorney expenses.....	1,008.82
Collectors' expenses.....	625.07
General expenses.....	2,200.89
Exemptions allowed.....	375.00
Prorated to Creditors.....	37,773.93

#### ON HAND:

Cash in 11 cases and Notes.....	\$8,618.41
	<hr/> \$51,455.26

Three cases of the thirty-nine filed schedules of liabilities with no assets, viz.: Canon City Gas Co., Elk Hotel, McKinley & Booth, 25,979.89.

There have been six cases paying over 90 per cent., two cases paying over 80 per cent., two cases over 70 per cent., one case over 60 per cent., two cases over 50 per cent., seven over 40 per cent., fourteen cases paying under 40 per cent.

We show 90 per cent. realized from merchandise, 76 per cent. from fixtures, 91 per cent. from good book accounts, 29 per cent. from all book accounts, 50 1-3 per cent. average to creditors, which will be greatly increased when the cases are finished. We expect to collect from \$5,000.00 to \$7,000.00 more.

The Committee at this time expresses its thanks to the officers of the Denver Credit Men's Association for the careful and painstaking manner with which they have treated the many inquiries made of them on this subject.

Your Committee can report at this time that the Associations at Duluth-Superior, Grand Rapids, Rochester, Cleveland, Cincinnati, Richmond, Omaha, Philadelphia, Chicago, New Orleans, Columbus and Pittsburgh have either established adjustment bureaus or are perfecting plans to do so at an early date.

Your Committee cannot emphasize too strongly the benefits which will accrue to the local associations through the medium of an Adjustment Bureau operated for the handling of insolvent estates in the interest and for the benefit of creditors.

Your Committee begs leave to offer the following resolutions:

*Resolved*, That the recommendations of the Committee on Credit Department Methods covering proposed changes in the Trade Experience Form and the Property Statement Forms, be and are hereby, approved.

*Resolved*, That the National Association of Credit Men in Convention assembled expresses its satisfaction with the interest exhibited on the part of its members and the progress made with respect to the establishment by many of its affiliated branches of adjustment bureaus; and be it further

*Resolved*, That we recommend and urge the extension of this feature of Association work.

Respectfully submitted,

W. G. MOORE,  
W. J. McMILLAN,  
R. A. SCOVEL,  
HENRY FORNOFF,  
HENRY T. SMITH, *Chairman,*  
*Committee.*

The following resolution is offered by the Cincinnati Credit Men's Association:

WHEREAS, It is known that the assets of bankrupts and assignors are materially diminished by undervaluation; therefore, be it

*Resolved*, That local Adjustment Bureaus be organized by the various local branches for the purpose of securing a fair value on the assets of bankrupts and assignors; and be it further

*Resolved*, That the Board of Directors of the National Association of Credit Men is hereby empowered to, and shall, within ninety days after the adjournment of this Convention, designate the territory over which each Bureau shall have jurisdiction, and the Secretary-Treasurer shall immediately thereafter notify each local Association of the territory thus assigned to it.

President—The report will be received and the Secretary will read the resolutions.

Secretary—The first resolution is as follows:

*"Resolved, That the recommendations of the Committee on Credit Department Methods covering proposed changes in the trade experience form and the property statement forms be and are hereby approved."*

Motion made, seconded and unanimously carried adopting the resolution.

Secretary—The second resolution is as follows:

*"Resolved, that the National Association of Credit Men in Convention assembled expresses its satisfaction with the interest exhibited on the part of its members and the progress made with respect to the establishment by many of its affiliated branches of adjustment bureaus; and be it further*

*Resolved, That we recommend and urge the extension of this feature of Association work."*

Motion made, seconded and unanimously carried, adopting the resolution.

President—We will now take up the resolution offered by the Cincinnati Credit Men's Association, as given on page 18 of the program, and the Secretary will read it.

Secretary—The resolution is as follows:

*"WHEREAS, It is known that the assets of bankrupts and assignors are materially diminished by undervaluation; therefore, be it*

*Resolved, That local Adjustment Bureaus be organized by the various local branches for the purpose of securing a fair value on the assets of bankrupts and assignors; and be it further*

*Resolved, That the Board of Directors of the National Association of Credit Men is hereby empowered to, and shall, within ninety days after the adjournment of this Convention, designate the territory over which each Bureau shall have jurisdiction, and the Secretary-Treasurer shall immediately thereafter notify each local Association of the territory thus assigned to it."*

Mr. Biggs, of New York—I move that the resolutions be taken up separately for action.

Seconded by Mr. Prendergast, and carried.

Secretary—The first resolution is as follows:

*"WHEREAS, It is known that the assets of bankrupts and assignors are materially diminished by undervaluation; therefore, be it*

*Resolved, That local Adjustment Bureaus be organized by the various local branches for the purpose of securing a fair value on the assets of bankrupts and assignors."*

Mr. Biggs—I move the adoption of the resolution as read.

Seconded and carried.

President—The Secretary will read the next resolution.

Secretary—The next resolution reads as follows:

*"Resolved, That the Board of Directors of the National Association of Credit Men is hereby empowered to, and shall, within ninety days after the adjournment of this Convention, designate the territory over which each Bureau shall have jurisdiction, and the Secretary-Treasurer shall immediately thereafter notify each local association of the territory thus assigned to it."*

Motion made and seconded that the resolution be adopted.

Mr. Hill, of Pittsburgh—We have a resolution we would like to submit and offer as an amendment.

"WHEREAS, The importance and necessity of securing concerted action in the adjustment of insolvent estates is recognized, thereby guaranteeing efficient and speedy settlements, with maximum benefits; therefore, be it

*Resolved*, That the National Association of Credit Men use its influence and best efforts to secure the establishment along uniform lines of Adjustment Bureaus, by the several local associations, at the earliest possible date.

*Resolved*, That the Board of Directors of the National Association of Credit Men designate the jurisdiction of territory for each bureau within 90 days after the adjournment of this Convention.

*Resolved*, That the Business Literature Committee be and is hereby instructed to furnish the organized and individual membership with literature setting forth the objects of the Adjustment Bureau and all other data that may be of interest and value."

Mr. Max Silberberg, of Cincinnati—I prefer the resolution offered by Cincinnati as it is more concise, and the amendment requires the adoption of a certain plan of procedure, if I understand it, which is not perhaps desirable. We have three or four adjustment bureaus that are working well, and we should not disturb them, but let each bureau work out its own method of procedure. If you adopt the Cincinnati resolution all that the Board of Directors need do is to assign territory to each local Association operating an adjustment bureau. I therefore move that this amendment be not adopted.

Mr. Borges, of Chicago—Do I understand from this resolution that it is optional with the local associations as to whether they will cooperate with these local bureaus or is it obligatory on them under the resolution to send their claims to the bureau having jurisdiction assigned it by the national body?

Mr. Smith—It is entirely voluntary, we consider.

Mr. Borges—I think the amendment is a perfect substitute and should be so regarded, as it covers everything covered by the original resolution.

Mr. Hill—We believe that such action should be taken not only on account of the local associations, but on account of the individual membership who should be fully informed of the action, and put in touch with the work of the local adjustment bureaus.

Mr. Burt, of Buffalo—The action you are about to take is one of great importance to local associations. As I understand it, there are only a few local associations which have at present an adjustment bureau, it seems to me that it would be well for the delegates who are here representing the various associations, to know a little more of the workings of these adjustment bureaus that are now in operation, before they vote upon something which perhaps their associations will not adopt.

First, what burden of expense will there be upon a local association if a local association does not organize an adjustment bureau, and to what territory will their district be assigned?

In Buffalo we have had this matter up for discussion at the last two meetings, and we have appointed a committee to consider this very subject; but we would like a little more light on the situation. I do not suppose that we are in the dark any more than some other associations, but it does seem to me that before we take action on this resolution more light should be thrown on the subject.



Mr. Wm. H. Preston, of Los Angeles—Just a word regarding the assignment of territory for adjustment bureaus. It may not be generally known that upon the Pacific Coast every city has its adjustment bureau. These adjustment bureaus have been in operation some of them as long as twenty years. There is no territory assigned, but it is common report that a greater percentage is realized on the Pacific Coast from the assets of insolvents than in any other section of the country. But it is done without an assignment of territory. San Francisco exchanges freely with Los Angeles and vice versa. If the largest number and amount of creditors are in Los Angeles, the Secretary of that Association is appointed trustee of the estate; while if the largest number and amount of creditors are in San Francisco, the San Francisco Secretary is appointed trustee.

Having been on the Pacific Coast for a great many years, and knowing how successfully the matter of adjustments is handled by the local associations, it seems to me it would be a mistake for the National Association to undertake to limit or prescribe the territory over which the local bureau shall have jurisdiction, and I therefore oppose the motion.

Mr. Silberberg, of Cincinnati—I am a resident of Ohio; I have a failure on the Pacific Coast and want to reach the proper bureau through which to send my account; what must I do? to whom am I to send it?

Mr. Preston—It would depend entirely as to the locality where the greatest amount of indebtedness was centered.

Q. How do I know that?

A. You could easily learn that from the Secretaries on the Pacific Coast. And permit me to suggest that Mr. W. C. Mushet, who is Secretary of the Los Angeles Board of Trade, is present, and will be very glad to explain in detail the workings of bureaus for adjustments, and can do so better than I.

Mr. W. C. Mushet, of Los Angeles—I am not prepared at this time to enter into a discussion of this matter, but I will be pleased to meet the secretaries of the different associations, and I understand that an opportunity to do so is to be arranged.

However, I would say that for twenty years San Francisco has had an adjustment bureau. It is true that it is not connected with the local Credit Men's Association, but it is connected with the San Francisco Board of Trade. In Los Angeles for twenty years or more there has been an adjustment bureau operating along the same lines as the Credit Men's Association now proposes to operate similar bureaus.

I would say that in Los Angeles there are two Boards of Trade, and two days before I left the city of Los Angeles the two boards of trade passed resolutions disbanding their organization and uniting in one Credit Men's Association. (Applause.) So that from now on I believe that the Los Angeles Credit Men's Association will be the association in Los Angeles that will take up the adjustment work, and it is of great advantage to us that this should be for this reason: We have experienced in the past difficulty in the handling of claims in the East. Why—because we were not known; but the moment the Los Angeles Credit Men's Association forms its Adjustment Bureau, it can write to the Secretary of the Chicago or Philadelphia or New York Association and say, we are handling a certain insolvent estate and we want your claims. The association in New York, Chicago or Philadelphia being in touch and harmony with the Association in Los Angeles will the more readily send its claims to the Secretary of the Los Angeles Association than to an unknown individual or bureau. I do not think it would be a good plan for the National Association to prescribe the limits of territory over which local bureaus should have jurisdiction. I agree with Mr. Preston that a failure occur-

ring in a territory which is naturally adjacent to the City of Los Angeles should be handled by the Los Angeles Association; and similarly a failure occurring in territory adjacent to San Francisco should be handled by the Association of that city. It has happened many times that Los Angeles in handling a failure has advised the Secretary of the Board of Trade in San Francisco, who thereupon gathered up the San Francisco claims and forwarded them to the Secretary in Los Angeles, while on the other hand, when San Francisco is handling a failure, the Los Angeles Secretary has gathered up the claims in Los Angeles and placed them with the San Francisco Association.

I think it will be a mistake for the National Association to prescribe the limits over which the various bureaus shall have jurisdiction. It is a matter which will regulate itself.

Mr. Silberberg—The Cincinnati Credit Men's Association withdraws the resolution presented by it and accepts the amendment offered by Mr. Hill.

Mr. Biggs—I do not like to take up the time of the Association in regard to a matter that has been pretty thoroughly discussed, but I have an objection to make to the resolution which has not heretofore been presented.

There have been objections made to the resolution in its present form on the ground that there may be some competition as to jurisdiction; but my reason for speaking now is one that I hope will commend itself to this Convention, and it is this: that our Association has always kept itself free from entangling alliances. It has from the very first avoided creating any bureau or collection department. It has said God speed to every commercial and collection agency, leaving each free to compete, leaving each free scope to do its best, and this Association has not thrown the weight of its influence in the direction of any particular private enterprise. Now this resolution, it seems to me, if passed, would be an entering wedge in the direction of improper interference on the part of the National Organization with local matters. The resolution asks that the National Association shall indicate the boundaries of the territory in which certain bureaus, organized or to be organized, shall do business. Now, I hold that that is no part of the business of the National Organization. The bureaus established by the local associations belong to them, and they should be free to decide upon their respective policies without interference by the National Association. (Great applause.) The National Association has no right to specify what these local bureaus shall do or shall not do, or for a moment to say, here, your territory shall be Illinois, your territory shall be California, your territory shall be Washington, or whatever it may be. And, moreover, deeper than that comes this fact, that when you begin the adoption of that policy, the next step will be the advocacy of a National Collection Bureau, under the direction of the National Association. I do not want ever to see that. Some of us old guard have endeavored to prevent these abuses that now and then attempt to creep in, unintentionally, of course, but I think the gentlemen who have drafted and presented these resolutions have not considered sufficiently where they will logically lead to. I say, forbid for all time and on every occasion the National Association interfering with collection business, advertising business, or any of the affairs of the local associations. (Great applause.) Gentlemen, I ask you to vote down the resolution!

Mr. Hill—We are willing and ask to have the word "designate" stricken from the resolution and the word "suggest" inserted in lieu thereof, so that the second clause of the resolution shall read:

*"Resolved, That the Board of Directors of the National Association of Credit Men suggest the jurisdiction of territory for each bureau within ninety days after the adjournment of this Convention."*

Mr. Biggs—I object even to the "suggestion." I hope you will vote against it. I appeal to you to vote against the National Association interfering with the freedom of action of the local associations or bureaus in any manner whatsoever!

Mr. Silberberg—I have always thought it impolite to call a gentleman to order, but I feel compelled to do so in this instance. The gentleman has been making an extended speech on something entirely foreign to the resolution. The resolution does not empower the National Association to do any collecting, but is for the purpose of designating a certain territory over which local bureaus shall have jurisdiction. If you gentlemen in New York have a failure in some distant locality, under present conditions, how will you know to whom to send the claim? You cannot tell, without lengthy correspondence and great delay, whereas if the jurisdiction is designated as provided for in the resolution, you know at once with whom to communicate. Under this resolution vexatious delay and loss of time will be eliminated. You substitute the work of two or three minutes for the work of two or three weeks; and there is no harm in the resolution at all; on the contrary it is entirely beneficial.

Mr. Biggs—I have been called to order, and I wish to say that I do not think the point of order is well taken. I hold that the resolution creates in the National Association a jurisdiction that does not belong to it, and that being the case my remarks were pertinent to the resolution.

Mr. D. S. Ludlum, of Philadelphia—I think it is absolutely necessary and essential that the National Association assist the local associations in allotting the territory over which each local shall have jurisdiction. Under present conditions much time is lost, and it will take endless time to work the territories out by correspondence. I think the proper way in this matter is to appoint a committee to be called the adjustment and prosecution committee, who shall work out this problem and assist the local associations in getting closer together as to territory and as to the policy under which adjustment bureaus may be conducted.

Mr. Silberberg—Before subdividing the territory each Association would be consulted. For instance, we have in Ohio four Associations: Cleveland, Youngstown, Columbus and Cincinnati. All these four Associations will be consulted before anything is done, nor will it be compulsory to accept the division that the board may make.

Mr. Henry T. Smith, of Chicago—The division of territory will be gradually brought about by local Associations establishing the boundaries themselves, so that the whole United States will eventually be divided, and we will not find it necessary to ask the assistance of the National Association. I therefore support Mr. Biggs' position.

Mr. J. Harry Trægoe, of Baltimore—I have listened with great interest to Mr. Biggs' very loyal remarks, and I always feel that I would like to sustain Mr. Biggs in any position that he takes, because his points are always well thought out. But I do want to say this with perfect sincerity, that I do not believe that any one has loved the principles of this Association more than myself (great applause); and I do not like the thought that any local Association will be permitted to do something that the National Association will not countenance. Personally I favor a strong centralized government; I am a believer in the Hamiltonian policy even in our own Association. We must have wise heads, we must have clear hearts in doing this work. I do not like the suggestion that just at this time the Board of Directors should either designate or suggest the terri-

tory over which the various Bureaus shall have jurisdiction, but I think the problem should be carefully studied by our board. We have good men in that body, men who love the Association, who will do nothing, I am quite sure, that will not promote the dignity and welfare of our Association; and I would offer this substitute for all resolutions before us: that the matter be referred to the Board of Directors with power to act. (Great applause.)

Motion seconded and unanimously carried, and so ordered.

President—The next order of business is the consideration of the second part of the divided resolution. The Secretary will please read it.

Secretary—The resolution referred to is as follows:

*"Resolved, That the Business Literature Committee be and is hereby instructed to furnish the organized and individual membership with literature setting forth the objects of the Adjustment Bureau and all other data that may be of interest and value.*

Motion made, seconded and unanimously carried, adopting the resolution.

President—We have received an invitation from the Tennessee Trust Company who are building an eighteen-story structure, inviting us to visit the building. The edifice is not complete, but arrangements will be made by Mr. Bailey, President of the Memphis Association, should any one desire to avail himself of the privilege of visiting the building.

#### **Meneshaw Club, June 15.**

The second day's session of the National Association of Credit Men was called to order at the Menesha Outing Club, Menesha, Arkansas, Thursday, June 15, 1905, 11.45 A. M., by the President.

The Rev. A. B. Curry, of Memphis, opened the session with an invocation.

Rev. A. B. Curry—O Lord God, our Heavenly Father, we delight to acknowledge Thee in all our ways that Thou mayest direct our steps. We thank Thee that these Thy servants have been permitted to assemble from the North and the South, from the East and the West to take counsel together for conserving and advancing the important business interests committed to their care. Feeling our dependence upon Thee in all the affairs of life, we humbly invoke Thy presence now, and beseech Thee to give all needed wisdom for the work of the hour. We thank Thee for the large measure of prosperity Thou hast sent upon all parts of our land, and we pray Thee to continue Thy blessing upon the varied industrial and commercial interests of our country. May our wealth be a blessing and not a curse. May the fear of God, and truth and honesty between man and man abound. Bless our chief Magistrate, the President of our beloved country, and his advisers, and give him an understanding heart that he may go out and come in before this great people in wisdom and righteousness. May peace and good will toward all our sister nations continue and increase. Bless the homes far away from which Thy servants come, and watch over and keep safely the absent loved ones. And to Thy great name be praise and honor forever, through Jesus Christ our Lord, Amen.

President—I now take great pleasure in introducing to you the Honorable E. W. Carmack, now United States Senator from Tennessee. (Continued applause.)



### "Our Prosperity."

ADDRESS DELIVERED BY HON. E. W. CARMACK, United States Senator  
for Tennessee

Mr. President, Ladies and Gentlemen: I am here to-day without a subject and without much of a speech. At the time my invitation reached me I was busy with other engagements of long standing, and since then I have had but little time in which to assemble my thoughts for an address appropriate to such an occasion. You can readily understand, therefore, that the feeling of pride I would naturally have in appearing before a body of men so distinguished in the world of commerce and of trade is overwhelmed by a feeling of shame in having to appear in a condition of mental undress, so to speak, and of being put to the painful necessity of trying to patch up a garment of language to cover the nakedness of my thoughts.

A cynical French diplomat is credited with the maxim that language was invented to conceal ideas; but I am afraid that cynical French maxims will hardly serve the purpose before a body of men who are accustomed to make words stand for things. A man ought either to say something or say nothing when he deals with men whose word is as good as their bond, and whose bond is as good as gold. But let me assure you, gentlemen, that the failure in the flow of my eloquence is not due to any feeling of personal resentment; for while the men whose business it is to give credit have not always treated me exactly right, I am of a magnanimous and forgiving spirit, and will never cease to cultivate friendly relations with them in the future on account of the humiliations I have received in the past.

Gentlemen, we are glad to have you here, and we are glad not only because we want to see you, but because we want you to see us. You come here, many of you, from great industrial and commercial centers, but we hope that you will go back with the thought that we resemble Saul of Tarsus at least in the respect that we are citizens of no mean city ourselves. We have not yet reached the dimensions of the City of New York, and until I see the figures of the next census I shall not even assert that we have outstripped Chicago. (Laughter). Memphis, gentlemen, is as modest as she is prosperous. We don't brag, but we grow. We don't blow a horn to tell the world that we are coming, but we get there just the same. Memphis is now entitled to be known as the New York of the South, and I expect to live to see the day when New York will be proud to be designated as the Memphis of the East. (Laughter and Applause).

During the last decade we increased our population one hundred per cent., passing the one hundred thousand mark, and if by next census year we have not passed the two hundred thousand mark, like Lord Clive when contemplating the magnitude of his East Indian plunder, we shall be astonished at our own moderation.

And, gentlemen, the growth and prosperity of Memphis are as solid and enduring as they have been rapid. I call your attention to the fact that during the terrible times of the panic and depression that mowed down commercial communities as with a scythe, Memphis passed through all that fiery ordeal without a single commercial disaster or the failure of a single bank. That fact speaks volumes not only for the business prosperity but for the stability, solidity and conservatism of Memphis business men.

And, gentlemen, the other cities of this State are also thriving, prosperous and growing. They are not growing like Memphis, but they are

doing the best they can. (Laughter.) For instance, there is our sister City of Nashville, the beautiful capital of our State. I believe I will astonish you and shock your credulity when I tell you that Nashville grew about nine miles during the last session of the Legislature. And, gentlemen, I came up on the train with a party of Nashville business men, some of whom had the devilish impudence to claim that Nashville would show a larger population than Memphis in the next census. (Laughter.) And I must frankly say to you that if I didn't know that Memphis was growing faster than Nashville, I should be afraid that Nashville was growing faster than Memphis. (Laughter and applause.)

And then in the eastern portion of our State there are Knoxville and Chattanooga; and the fact that two such thriving and prosperous cities are to be found within the same limited area speaks volumes for the energy and enterprise of their citizens, and for the marvelous resources and the natural wealth with which nature has blessed that section of our State.

Gentlemen, I believe that the whole country, and especially the South, is entering upon a career of prosperity that will surpass not only everything we have ever done, but everything we have ever dreamed. Conditions upon which I need not dilate have long withheld from the South the moneyed energy necessary to develop her marvelous resources; but the rapidity of the South's commercial and industrial growth will be all the greater because it has been retarded so long. Capital and enterprise having largely exhausted the most tempting opportunities in other directions will flow in an ever deepening and widening stream toward our Southern country, stimulating to the greatest activity every branch of trade, commerce and industry. It is my candid opinion that the growing industrial and commercial importance of the South will be the great phenomenon of the first half of the present century. And permit me to say here, my friends, that it is the skilled hand that holds the future of our State. Intelligent labor, labor intelligently directed and scientifically applied in every department of industry, the field and the factory, the mill and the mine, will bring to the South a prosperity of which we have never dreamed. Skilled labor is the Moses whose rod can bring streams of plenty from the bleak hillsides and barren rock. What may it not do for a land where the lowlands respond with gladness in bounteous harvests, where the mountains swell with the hoarded wealth of laborious centuries? (Applause.)

But nature alone cannot make a great State. Nations may rot in the midst of her luxuriance and wither beneath her smile. The brain and soul and purpose of man must build upon the foundation that Providence has laid. And the builders of the South are ready for the task. (Applause.) With their minds awake to the duties and the necessities of the hour they will grapple with them as eagerly, as bravely and as victoriously as their forefathers grappled with the terrors of the wilderness. (Applause.) Looking but a short distance into the future, we can see a land alive in all its walks and ways, with sounds and scenes of thriving industry—the roaring furnace, the thundering mills, the ringing hammer, the reaper's song, and peace and order brooding over all. (Applause.) And looking throughout the length and breadth of our land, we can see a people knit together by the hand of commerce in eternal and fraternal union, ever increasing in numbers, but growing in unity, "many as the waves, one as the sea." (Long continued applause.)

The Secretary read a communication from Gross, Kelly & Co., Las Vegas, N. M., stating that they would like to become members of the National Association.

On motion made, seconded and unanimously adopted, the communication was favorably received and application granted.

In the absence of Malcolm Graham, Jr., Chairman of the Investigation and Prosecution Committee, the Secretary read the report of that Committee.

### **Report of the Investigation and Prosecution Committee.**

*To the President and Members of the National Association of Credit Men:*

*Gentlemen*—At the meeting of the Directors in 1903 it was resolved to discontinue operations under the Investigation and Prosecution Fund, so far as new cases were concerned, and at the annual Convention held in New York on June 15, 16 and 17, 1904, it was further

*Resolved*, That the Board of Directors be instructed to reorganize the Investigation and Prosecution Bureau; the said Bureau to be continued as an adjunct of our National work, and that a trust fund of \$50,000 be raised with which to equip and maintain the Bureau."

In order that the Board in considering this resolution, might have before it an expression of opinion from the local associations the following circular was issued from the office of the Secretary-Treasurer:

*To the Presidents:*

*Dear Sir*—At the Annual Convention, held in New York, June 15, 16, 17, 1904, the following resolution was adopted:

*Resolved*, That the Board of Directors be instructed to reorganize the Investigation and Prosecution Bureau, the said Bureau to be continued as an adjunct of our national work, and that a trust fund of \$50,000 be raised with which to equip and maintain the Bureau."

The Board of Directors will meet in Chicago, October 24, 1904, at which time this resolution will come before the Board for action.

To assist the Directors in carrying out the instructions contained in this resolution, you are requested to answer the following queries:

Will your Association subscribe its pro rata to a \$50,000 Investigation and Prosecution Fund?

If so, on a basis of a cash subscription or by guaranteed subscription? (Denver plan.)

[NOTE.—Under the Denver plan subscriptions are guaranteed and assessments are made against the guarantors as money is required.]

Kindly use your best efforts to have your reply in this office at as early a date as possible.

CHAS. E. MEEK,  
*Secretary-Treasurer.*

Eighteen expressions of opinion were received:

Two Associations favored a National Bureau of Investigation and Prosecution on the basis of a guaranteed subscription fund.

Two Associations favored a National Bureau, but not on the basis as set forth in the resolution.

One Association favored a National Bureau of Investigation and Prosecution on a cash basis.

Thirteen Associations did not favor a National Bureau of Investigation and Prosecution. Six of these favored local bureaus. Seven replied in favor of an Investigation and Prosecution Bureau, but did not specify any plan.

The Board, after receiving this report, entered upon a general discussion of the subject, which resulted in the adoption of the following resolution:

WHEREAS, It is the sense of this Board that the prosecution of fraudulent debtors should be vigorously continued, and that this very important department of our national work can be best administered and executed by the local associations, therefore be it

*Resolved*, That this Board recommends that the individual membership of this Association be classified with local associations for the purpose solely of this work and their protection; and be it further

*Resolved*, That it is the sense of this Board that each local association and the individual members be recommended and strongly urged to create a Prosecution Fund on a guaranty or cash basis, as each may prefer, and to administer the same; and be it further

*Resolved*, That the operation of this plan shall be co-operative, and that the prosecution of fraudulent cases be conducted by the Association nearest the point where the debtor is amenable to such prosecution, and that the cost thereof shall fall upon the Association or Associations interested; and

*Resolved further*, That the total funds so created shall be known and designated as a National Fund."

As to the work, therefore, of the Bureau of Investigation and Prosecution of the National Association of Credit Men, we would say at the outset that on account of the determination evinced by the Association at the last annual meeting to reconsider the system of the Association in such matters, and due to the fact that no definite arrangements have been made either to increase the fund or to subdivide the work amongst the local associations, or otherwise, the Bureau has refrained from taking up as a work of active prosecution any new cases, although it has frequently and continuously been at the service of members of the Association and made investigations and reports upon suspected cases which have been submitted to it from time to time during the past year.

The committee at the close of the last fiscal year had in charge a number of cases of fraud or suspected fraud, two of which at least were of very great importance, to wit, the gigantic failure of I. Wiener & Co. in Philadelphia in 1903, and the failure in Gouverneur, N. Y., of Arthur M. Felson. The former engaged in jobbing woolens and clothing, and the latter, a seller of jewelry and allied articles of merchandise. The committee presents herewith a summary of the condition of the unfinished cases at this time:

*In re. I. WIENER & Co.*

At the time of the report of 1904, it was stated that David S. Ludlum, the trustee who had been appointed by the creditors, as a result of the work of the Association, had located Weiss, the partner of Isaac Wiener, who had fled to Canada. As a result of the efforts of the Association, and pending the trial of the indictments which had been obtained against Weiss, the Hon. Edward F. Hoffman, Referee in Bankruptcy, on the 7th day of March, 1905, filed his report in which he required both bankrupts to pay over to the trustee the sum of \$76,000. The bankrupts have made several offers of settlement, which the committee have refused, and which have been rejected by the creditors in order that the trial of the indictments in Philadelphia may not be prejudiced,



and this case is still in progress. The defendants' attorneys have filed objections to the report, which will come on for argument in Philadelphia in all probability before July 1.

*In re. ARTHUR M. FELSON.*

Early in this year, after the order on this bankrupt to turn over \$6,000 to his Trustee had been duly served upon him, he disappeared from his usual haunts, and through the efforts of the committee he was located in New York and brought before Commissioner Shields, where he was placed under bail to appear at the June term at Binghamton, New York, at which time he is also to be tried on indictments for concealing property while a bankrupt from his trustee, with the intention of defrauding his creditors.

The committee has gone to an immense amount of labor and trouble in obtaining and preparing evidence to support the above indictment, and in assisting the United States District Attorney in preparation for the trial.

*In re. JACOB KAHN.*

In this case, your committee having met with the refusal of the District Attorney in Philadelphia to attempt to obtain an indictment against Kahn for offences against the bankruptcy law, succeeded in preventing his discharge in bankruptcy, and sustained that decision before the United States District Court.

In this connection your committee desires to digress for a moment in order to impress upon creditors generally the fact that a denial of a discharge in bankruptcy does not relieve them from the necessity of putting their claims through to judgment, for if they neglect that after such a denial, the statute of limitations, which has been running against the debts from their inception, will prove as effectual a bar as any bankrupt, fraudulent or otherwise, may need.

*In re. LIND.*

The indictment against Lind, who conducted a grocery business at Yonkers, N. Y., is still pending, as Lind has disappeared. A motion to forfeit his bail may be made by the District Attorney, as your committee understands, but we have not considered it expedient to go to any expense for detectives in locating him from the date of the last report.

Since the National Prosecution Fund has been abolished, certain of the local Associations have instituted, under various plans, local Prosecution Bureaus, viz., Milwaukee, Los Angeles, Philadelphia, Pittsburgh and Omaha, while the Denver Association increased its fund to \$10,000.00. The value of these Bureaus is quite clearly shown by the fact that the Denver Association advises us that this year no case of fraud has been reported to them. While it may be true that this is merely a coincidence, it is fair to presume that the knowledge, locally, that this fund was in existence for the purpose of preventing fraud, has been a large factor in the results obtained by the Denver Association.

In conclusion, your committee would earnestly recommend the adoption, by the Convention, of the following Preamble and Resolutions:

"WHEREAS, At a meeting of the Board of Directors of the National Association of Credit Men, held on October 24, 1904, the Board recommended—

First, that each local association create a Prosecution Fund on

a guaranty or cash basis, as each may prefer, and to administer the same; and

Second, that the operation of this plan be co-operative, and that the prosecution of fraudulent cases be conducted by the Association nearest the point where the debtor is amenable to such prosecution; and,

Third, that the National Association membership be classified with the local associations for the purpose solely of this work and their protection; and,

Fourth, that the total funds so created be known and designated as a National Fund; therefore be it

*Resolved*, That the National Association of Credit Men, in Convention assembled, hereby ratify and confirm said recommendations of its Board of Directors, and earnestly urge upon each local association the creation of such a Prosecution Fund; and,

*Resolved*, That the Secretary of the National Association of Credit Men be, and is, hereby instructed to bring the matter before each local Association, with a view to assisting them in organizing a local Investigation and Prosecution Bureau.

Respectfully submitted,

MALCOLM GRAHAM, JR.,  
*Chairman.*

Mr. M. E. Bannin, of New York—Mr. Chairman, Ladies and Gentlemen: Before leaving New York, I called upon our District Attorney, the Hon. William Travers Jerome, who has been very energetic in assisting the business community, especially of the city and county of New York, in securing proper business conditions, so far as preventing fraudulent failures is concerned. We have been "pestered," so to speak, for many years, with fraudulent failures, and so far as my knowledge or recollection goes, I do not know of a single conviction for the past seventeen years, until Mr. Jerome succeeded with us in getting the legislature to pass suitable laws and in obtaining several convictions of persons who had endeavored to commit frauds.

I should like to make particular reference to the case of the People vs. Kantor and Cohn. My firm was deeply interested in this case and I think everyone in the United States engaged in the clothing business was. A meeting of the creditors was called, and we determined to prosecute this firm. We invited the attention of District Attorney Jerome to the case, and Mr. Kantor is now in state's prison. He was indicted on seven charges of grand larceny, on which he was tried, convicted and sentenced to State Prison for five years. Such convictions cannot help having a good effect in deterring others from attempting similar fraudulent transactions. I have in detail the record of these gentlemen.

My object in calling this matter up is to show the success which the District Attorney's office in New York City has met with in dealing with such cases. The National Association and the New York Credit Men's Association both deserve credit for urging the District Attorney to take such matters up. For years it has been impossible to convict commercial swindlers in New York City.

Now I wish to impress this point on every delegate present, that if you will call the attention of your prosecuting attorney to the conditions and circumstances surrounding suspicious failures in your locality, and back your statement up with facts, I do not think there is a district attor-

ney in the land who will not accomplish something along the line pursued by the New York Credit Men's Association and Mr. Jerome.

There will be a dinner given to the Hon. William Travers Jerome at Delmonico's to-night, and yesterday the New York delegation instructed me to draft a resolution and send it to one of the dinner committee at Delmonico's. I wish to read it, and I will ask, Mr. President, that this, the resolution passed by the New York delegation, be endorsed by the National Association of Credit Men, because I know that it will have a good effect throughout the entire country.

The resolution and accompanying letter are as follows:

Edward F. Page, Esq., care of Delmonico's, Fifth Avenue and 45th Street, New York, N. Y.

Dear Sir:

The following was offered by the delegation of the New York Credit Men's Association, at the Tenth Annual Convention of the National Association of Credit Men, assembled on this, the fifteenth day of June, in the City of Memphis, Tenn., and was unanimously adopted:

*Resolved*, That a vote of thanks and appreciation be tendered the Hon. William Travers Jerome, District Attorney of the City of New York and of the County of New York, for his determined assistance in having the Legislature of the State of New York enact laws regulating proper trade conditions. We congratulate him and his friends who tender him the dinner at Delmonico's. May he long enjoy a useful life.

A motion was made by Mr. Bannin that the resolution last read be endorsed and adopted.

Seconded by Mr. J. Harry Tregoe, of Baltimore; Mr. D. S. Ludlum, of Philadelphia; Ex-Gov. Thomas T. Crittenden, of Kansas City, Mr. Morawetz, of Milwaukee; Mr. Randle, of Cleveland, Mr. John W. Bailey, of Memphis, and Mr. W. A. Prendergast, of New York.

Mr. Prendergast—In order that the truth of the history of the case mentioned by Mr. Bannin (the Kantor case) may be known and made a matter of record in the minutes of this Association, I wish to say that the great mass of the evidence upon which Mr. Kantor was tried, and which was most instrumental in bringing about his conviction, was secured and obtained through the efforts of Mr. David S. Ludlum, a delegate to this Convention from the City of Philadelphia.

Mr. Silberberg, of Cincinnati; Mr. Sheffey, of Lynchburg; Mr. Hill, of Louisville, and Mr. Buck, of Baltimore, seconded the motion.

Mr. Buck—I have lost a great deal of money through fraudulent failures, and I am very thankful to the Association for its work along that line.

Mr. Barclay—I desire also to second the motion for the adoption of the New York resolution of thanks to Mr. Jerome, but I wish that the word used by Mr. Bannin, inadvertently perhaps, in alluding to the convicted criminals as "gentlemen" might be stricken out.

President—Probably Mr. Bannin was sarcastic. (Laughter.)

Mr. Ludlum—Mr. Prendergast has kindly given me credit for the work of collecting together a great mass of evidence which brought about the conviction of Kantor. I greatly appreciate the compliment, and would say that while I gave my exclusive attention to this work while it was in progress, it was done of course under the direction of others.

The motion was also seconded by Mr. Charles L. Bird, of Boston; Mr. F. A. Smith, of Chicago; Mr. Kennard, of Lincoln; Mr. Fletcher, of Chattanooga; Mr. Seeley, of Detroit; Mr. Burt, of Buffalo, and Mr. H. H. Nance, of Nashville.

President—I should like to have some Denver man second that motion also.

No response.

President—It seems that there is no Denver man present except myself, therefore I must insist on seconding the motion myself.

The motion was then put and carried unanimously.

President—We will resume the consideration of the report of the Investigating and Prosecuting Committee, the report will be accepted and filed, and we will take up the consideration of the resolutions embodied in the report. The Secretary will read the resolutions.

Secretary—The resolutions are as follows:

"WHEREAS, at a meeting of the Board of Directors of the National Association of Credit Men held on October 24, 1904, the Board recommended:

First. That each local association create a Prosecution Fund on a guaranty or cash basis, as each may prefer, and to administer the same; and

Second. That the operation of this plan be co-operative, and that the prosecution of fraudulent cases be conducted by the association nearest the point where the debtor is amenable to such prosecution; and

Third. That the National Association membership be classified with the local associations for the purpose solely of this work and their protection; and

Fourth. That the total funds so created be known and designated as a National fund; therefore be it

*Resolved*, That the National Association of Credit Men, in Convention assembled, hereby ratify and confirm said recommendations of its Board of Directors and earnestly urge upon each local association the creation of such a prosecution fund; and,

*Resolved*, That the Secretary of the National Association of Credit Men be, and is, hereby instructed to bring the matter before each local association with a view to assisting them in organizing a local investigation and prosecution bureau."

Motion made and seconded that the resolutions be adopted.

Mr. Moore, of Atlanta—In order that work in this line shall be most effective, I think it will be well to make strenuous efforts to increase the membership in the local and National Associations, and to use every means at hand to increase interest in this work.

The report says that the association nearest the party who fails shall have jurisdiction in the investigation and prosecution of any particular case, and that the particular jurisdiction would be assigned and defined by the National Board of Directors. Now, suppose in Atlanta we should have a bureau and a debtor should fail fraudulently who was not indebted to any Atlanta man, but to foreign concerns exclusively, would our Association be called upon to prosecute that party?

President—The resolution means that the association nearest to the point of failure would have the handling of the case, while the local association would conduct the investigation and prosecution, it would stand none of the expense unless interested. If, for instance, the Denver Association should ask the Atlanta Association to investigate and prosecute a case, the Denver Association would have to stand the expense, unless, of course, Atlanta members were interested.



Mr. John W. Bailey, of Memphis—I would like to meet at my office to-morrow morning all the Secretaries and Assistant Secretaries who are present.

Mr. H. M. Powell, Columbus, Ohio—In order to bring about a more complete discussion of this matter, I would like to ask whether it might not be possible to get more results by working on another line. If, as suggested, the different organizations establish local prosecuting bureaus, they must be managed by a committee, all of the committeemen to be credit men.

It has occurred to me to suggest to the Convention or the Board of Directors the advisability (instead of working on this local organization plan) of trying the scheme of having another assistant secretary, to devote his entire time to gathering data, preparing evidence, etc., for the prosecution of cases—I mean, of course, another assistant secretary of the National Association. I think that a man, for instance, with the qualifications of Mr. David S. Ludlum, of Philadelphia, could go to any part of the country where there was a large case, and could be of great assistance in securing evidence. I have no doubt but that the results would justify the additional expenditure. A slight increase in the tax on the local associations would secure the additional funds necessary to pay the salary of this assistant secretary. I believe that this prosecution proposition is the most important part of our work.

Mr. John W. Apperson, of Memphis—This is a thought that is very dear to me. I may look at it from the point of view of a lawyer. A peculiar thing has arisen among the credit men, they expect the attorney to gather all the evidence. If I handle a case, am I to furnish the evidence or will you do it? Who is going to furnish the testimony? You say Dun's and Bradstreet's reports look good. Now, where are you going to start in the examination of reports? Are you going to start three year's back? Too many things might have occurred during that time. Let your assistant secretary furnish this information to the lawyer, and don't let him give your lawyer drummer's yarns. Drummer's yarns are like Joe Miller's joke book—there's nothing in them. Get signed statements from your man and let him commit himself. (Applause.)

Mr. A. H. Burt, of Buffalo—I am opposed to the idea of another assistant secretary for this line of work. It would be impossible unless the assistant secretary could be omnipresent, to be in the different places where his services will be required at the same time. He would be in Chicago perhaps when his services would also be required in New York and San Francisco. The idea is impracticable, and the employment of such an officer would be merely saddling a large additional expense on the Association without corresponding returns.

Mr. Ludlum—I perhaps ought to mention more clearly than I have done heretofore that I do not deserve the credit that Mr. Prendergast has given me in the Kantor case, for the reason that much of the work of running to ground and securing the conviction of Kantor belongs to Mr. J. Norton Goddard. So far as the hiring of another assistant secretary is concerned, I am opposed to it, for the reason that the entire subject is really a local one and should be dealt with locally.

Motion adopted unanimously.

Secretary—In connection with the report of the Investigation and Prosecution Committee I will read a communication received from Mr. L. J. Kadeski.

Quincy, Ill.

To the Officers and Members of the Tenth Annual Convention of the National Association of Credit Men Assembled at Memphis, Tenn., June 14, 15 and 16, 1905.

Gentlemen:

Feeling that I owe this Association a statement in a matter that you, through your worthy officers, have without hesitation aided me in, I will therefore briefly state that in the matter *in re* of Otto W. (alias W. W.) Wallace, formerly in business at Roodhouse and White Hall, Illinois, as reported on at your last session, that this man Wallace was freed in the U. S. Courts, but indictments were obtained for obtaining merchandise under false pretenses (in Greene County, Ill.). This case has been called for trial four different times; Mr. Wallace feigned sickness three times, and last March (1905) owing to being compelled to change attorneys just before the trial to aid the State's Attorney of Greene County, I was compelled to ask for a continuance in order to give our attorney time to prepare himself for the next term of Court, as considerable amount of papers and evidence must be gone over, in order to bring about the desired result. The judge readily granted our prayer, as he realized that Mr. Wallace had three continuances (and can have no more under the Illinois Statute) and that we were entitled under the circumstances to this prayed for continuance.

Many of the creditors have been appealed to who will have to appear at the September term of Court in Carrollton (Greene County, Illinois), and being assured of their willingness I feel certain that with the evidence and able counsel engaged, a conviction will be obtained at the next term of Court, when the case will and must be tried.

I therefore ask in the name of the creditors, many, if not all, are members of this Association, that the officers and members of this Association continue to give their moral and what little financial support may be asked to bring about a successful ending of this course.

In behalf of those interested and myself I thank you and your officers for past courtesies and financial aid given to bring about the desired result in this case. I remain,

Very truly yours,

L. J. KADESKI.

P. S.—The Assistant Prosecutor to States Attorney Painter in this case is Hon. Thomas Henshaw, of Carrollton, Ill.

Following the reading of Mr. Kadeski's communication, it was moved that the same be received and that the National Association of Credit Men show its appreciation of Mr. Kadeski's efforts by pledging a continuance of its support, all of which was unanimously adopted.

President—I will ask the Secretary to read the report of the Committee on Improvement of Mercantile Agency Service.

The Secretary then read the report which is as follows:

#### **Report of the Committee on Improvement of Mercantile Agency Service.**

To the President and Members of the National Association of Credit Men:

Since the National Association last convened, nothing of special interest has developed in mercantile agency matters. The failure of the International Mercantile Agency removed from the field an element which

for upwards of two years had the effect of stimulating the established agencies to greater diligence, and no doubt resulted in improved service.

Favorable trade conditions throughout the country have had a quieting effect on agency service, and your committee has received but few complaints during the year. We have received a number of inquiries from various sections of the country pertaining to the establishment, by the National Association, of a Credit Exchange Bureau. This important matter, however, was by the last convention placed in the hands of a special committee, which will no doubt report at this time. We therefore deem it inexpedient to make more than passing mention of this feature of agency work. We may state, however, that the number of inquiries received indicates that credit men are interested; some of our local associations have taken up the work in earnest, and we apprehend that before another year rolls around many of our local branches will be exchanging ledger experience on the most approved and economical plan, and your committee believes that the results will be so gratifying and beneficial that the movement will extend to the entire country.

Reviewing the work of the Mercantile Agency Committee for several years past, it will be observed that the agencies as a rule have given courteous consideration to the suggestions made by the National Association, and in the main, disposed of the same in a manner satisfactory to our members; excepting as to the principal and all-essential object for which we are striving, viz.; *greater accuracy in the detailed reports*. In justice to the agencies, it may be stated that there has been some improvement even in this direction. Those of us who have handled credits for years, know that there has been a marked improvement in the general character of mercantile agency service. This is especially true of the past five years, and is, no doubt, the result of demands made by the Association, and also from a natural desire on the part of the agencies to be abreast of the times and to give their subscribers a service that would at least ensure their patronage, but we all know that there is still ample room and great need for improvement.

It is a well known fact that many wholesale houses, as well as banks, extending large lines of credit, are employing special men whose duties are confined wholly to the personal investigation of customers' affairs, and analyzing conditions having a direct bearing upon credits. In some markets we find wholesale merchants employing special reporters who cover the territory, making credit investigations, obtaining property statements and other credit data, all of which indicates that the mercantile agencies are not furnishing the information which credit distributors desire, and that the latter are seeking and reaching out for a class of information which the agencies are seemingly unable to furnish. It must be borne in mind that the agencies are in business for profit, and that it would not only be useless but inconsistent on our part to suggest to them the adoption of improvements, involving large additional expense, unless we can at the same time point out wherein they may derive a compensating benefit. It is within the knowledge of your committee that not a few houses are cutting down agency service and depending more and more on the investigations of their personal representatives. It is for the agencies to decide how far they can afford to allow this tendency to develop.

During the past year the chairman of your committee has received several communications complaining of agency service. Investigation discloses the fact that different localities have a different character of service. The consensus of opinion from one market favors one agency, while another jobbing center reports another agency giving better service.

We also find that the same degree of efficiency is not maintained by the same agency at its different branches; that the standard of service depends to a considerable extent on the local manager, and is good or unsatisfactory in the proportion that he is insistent upon necessary support from the head office. In other words, the local management of the branch offices is reflected in the character of the service. The manager who is progressive and who insists on having from the parent concern the necessary support, gives his subscribers better service than the manager who is content to simply obey orders. This fact suggests to your committee the desirability of following this line of investigation further, to the end that the weak spots be brought to the surface and the National Association thereby placed in a position to assist local branches who may be suffering as a result of incompetent or disinterested local agency management.

The investigations of your committee disclose the fact that there exists to a surprising extent an unfriendly, antagonistic feeling towards the mercantile agencies. This should not be the case. It is unreasonable and unjustified and operates directly against our best interests. This feeling prevails to such an extent in some localities that we find the agency managers in many cities are practically unacquainted with their subscribers, do not associate with the business men, and take no part in business matters or public affairs; in short, are little known. This is a condition which should not exist; the local manager should be, and so far as the personal acquaintance and knowledge of your committee extends, they are, men entitled to the confidence and respect of business men everywhere, and your committee earnestly recommends that our members take more interest in the local managers of the mercantile agencies, extend them the hand of friendship, make them feel that they are always welcome visitors to your places of business, and by constant and frequent exchange of ideas and friendly suggestions, help them to obtain for us what we want: *Better mercantile agency service*. We should keep in mind the fact that when we help the agencies, we are helping ourselves; that every time we give them information that will help make a report more accurate and reliable, we are furthering our own interests. But how often do we find the credit man selfishly keeping back information that would be of very great value to the agencies, and to others, and the giving out of which would in no way be detrimental to his own interests, and we find these same individuals constantly criticising agency service and lamenting the fact that reports are unsatisfactory.

Some of the suggested improvements made to your committee during the year leads us to believe that many credit men do not make the best use of mercantile agency service; that they either do not know how, or at least have not adopted methods whereby to utilize agency ratings and reports in such a way as to be a constant guide in the extension of credit. It is too often the case that the credit man, while spending thousands of dollars annually for agency reports, "stuffs" this valuable matter away in "wads," to be investigated and analyzed after the failure. There is room for improvement in this direction on the part of credit men.

Our attention has been directed to one means whereby it is believed agencies could improve and add very much to the value of their reports, but of which they seemingly do not avail themselves. Reference is made to the failure of the agencies to obtain trade opinions on statements submitted by dealers throughout the country, or upon reports compiled from other data. It is true the agencies do this to some extent, but their efforts in this direction are very limited. Your committee believes that it is possible for local managers of the agencies to obtain from the wholesale



merchants, manufacturers, and banks an enormous fund of this most valuable information at nominal cost. Trade experience, in other words, "How does he pay?" is now recognized as one of the most essential features of an agency report. It is the opinion of your committee that the agencies have never yet adopted any systematic, comprehensive method of obtaining such information, and that they are subject to criticism for failure to do so. Herein lies an opportunity for them to add very much to the completeness and general value of their service, and we take this occasion to urge upon the attention of the agencies the desirability of increased effort along this line.

Your committee would recommend to credit men generally the adoption of facilities and methods for utilizing the mercantile agencies in such a way as to obtain the best possible results. This suggestion comprehends the use of the mercantile agency ratings, and analysis of their detailed reports; and the conclusions so manipulated as to be a constant guide and prompter to the credit man in his daily duties of handling credits and collections.

Co-operation is the fundamental principle upon which this Association is founded. We can obtain better mercantile agency service by the extension of this principle to the agencies. In this direction your committee believes there are great possibilities, and to this end we urge this Association to lend its influence.

The Committee on Improvement of Mercantile Agency Service, begs to submit the following resolutions:

WHEREAS, It appears that R. G. Dun & Co. and the Bradstreet Company do not maintain the same standard of service at their several branches, notwithstanding the fact that a uniform price is charged by said agencies; therefore, be it

*Resolved*, That the Committee on Improvement of Mercantile Agency Service be, and it is hereby instructed to make a thorough investigation of this matter, and by an extended examination of the agency reports and an exhaustive comparison of the service rendered by the two agencies, determine which one is giving the better service generally, and also ascertain where the local branches of this Association are suffering as a result of unsatisfactory agency service, to the end that the National Association may exert its influence to a betterment of such conditions.

*Resolved*, That the members of the National Association of Credit Men and its allied branches be and are hereby urged to avail themselves of the record book published by the Association for the purpose of obtaining a comparison of Mercantile Agency service.

Respectfully submitted,

J. H. SKINNER,  
H. A. BOARDMAN,  
A. E. CLERIHUE,  
E. J. FISHER,  
C. D. MACLAREN,

*Committee.*

President—The report will be accepted and filed.

The Secretary will please read the resolutions submitted by the Committee.

Secretary—The resolutions are as follows:

"WHEREAS, It appears that R. G. Dun & Co. and the Bradstreet Company do not maintain the same standard of service at their several

branches, notwithstanding the fact that a uniform price is charged by said agencies; therefore, be it

*Resolved*, That the Committee on Improvement of Mercantile Agency Service be, and it is, hereby instructed to make a thorough investigation of this matter, and by an extended examination of the agency reports and an exhaustive comparison of the service rendered by the two agencies, determine which one is giving the better service generally, and also ascertain where the local branches of this Association are suffering as a result of unsatisfactory agency service, to the end that the National Association may exert its influence to a betterment of such conditions.

*Resolved*, That the members of the National Association of Credit Men and its allied branches be and are hereby urged to avail themselves of the record book published by the Association for the purpose of obtaining a comparison of mercantile agency service.

Motion made and seconded that the resolution be adopted.

George R. Barclay, of St. Louis—The local managers of Bradstreet's and Dun's agencies should be willing to co-operate with the Credit Men, and in order to have a full co-operation with the mercantile agencies the credit men should do their part.

S. G. Rosson, of Cincinnati—I do not believe the credit men will ever co-operate freely and frankly with the mercantile agencies in the feature of giving them trade information so long as the agencies use it for revenue only, and fail to reciprocate gratis to each contributor of ledger facts a copy of the trade report showing the experiences of all other houses reporting. Why should we give an agency our inside ledger facts that they may sell it to the world to offer us competition in desirable cases, or to take advantage of unfavorable conditions shown in undesirable cases, to the detriment of contributing creditors who do not receive the report, and have not an equal advantage with the inquirer? It is unreasonable, therefore, to expect credit men to give the mercantile agencies information that is of much value to sell to others, without any semblance of reciprocity in each case. This condition, it seems to me, is well worth consideration by the agencies, who seem to lay the fault of brief and invaluable replies to their inquiries at the credit man's door. The credit man must have an incentive to bring out all his facts in each case, and should not be asked to give his time and information when he receives no direct equivalent. These remarks are offered not so much in criticism as a suggestion.

Mr. Barclay—I want to see justice done. I have never made a trade report for Dun or Bradstreet that they did not return information.

Of course the mercantile agency service varies in different localities. Dun may be better in one city and Bradstreet in another. Neither service is uniformly superior to the other in all sections of the country.

Mr. Kennard, of Lincoln, Neb.—An impression has been gained in certain quarters that credit men under some circumstances color their reports. This certainly should not be and probably is not the case. A man who will not give should not receive. We must give good information.

Motion adopted.

Mr. Bailey, of Memphis—We find that the reports which we receive are too indefinite in certain respects, and to cover one such instance I desire to offer the following resolution:

*Resolved*, That R. G. Dun & Co. and the Bradstreet Company be requested to discontinue in their reports the expression, "He is the reputed owner of real estate," etc. The ownership of real property is a matter not of supposition but of fact, and easily determined; and we have a right to

expect that they will search the county records and establish the facts as to whether the real estate referred to stands of record in the name of the reputed owner or some one else.

Resolution unanimously adopted.

President—We will now take up the consideration of the resolutions offered by the Milwaukee Credit Men's Association. The Secretary will read the first resolution.

The Secretary—The first resolution is as follows:

Being fully in accord with the sentiments expressed at the last convention of the National Association of Credit Men, regarding the improvement and the development of various features of the service of R. G. Dun & Co. and Bradstreet's mercantile agencies; be it therefore

*Resolved*, That the National Association of Credit Men, again assembled in convention, favors the adoption and promulgation of plans whereby the efficiency of the service of both R. G. Dun & Co. and Bradstreet's may be brought to the highest point of usefulness to every credit man, and that these agencies be urged to perfect, as far as it is in their power, their present system of interchange service, by adopting a more systematic method for obtaining such trade information and to furnish it universally throughout their service.

Resolution adopted.

Secretary—The next resolution is as follows:

*Resolved*, That should any subscriber desire to be placed in direct communication with a firm contributing trade information, that the agencies will arrange to do this, but only after having first obtained the consent of the firm furnishing the information.

Resolution adopted.

Secretary—The next resolution is as follows:

*Resolved*, That the said agencies be requested to issue their reports on a better grade of paper than they are now using, and that more care be exercised in the execution of the reading matter of their reports.

Resolution tabled.

Secretary—The next resolution is as follows:

*Resolved*, That a periodical revision of their rate books be insisted upon, and that in cities of fifty thousand inhabitants and over, it is suggested that the street address be added to each name appearing in such books.

Resolution tabled.

President—The Secretary will now read the resolution offered by the Richmond Credit Men's Association.

Secretary—The resolution referred to is as follows:

WHEREAS, There is a lack of uniformity in the preparation of mercantile agency reports; and

WHEREAS, Promptness of service is of the utmost importance to the subscriber; therefore be it

*Resolved*, That R. G. Dun & Co. and the Bradstreet Company be and are hereby requested to adopt a standard form of report, and to provide a more prompt service.

Adopted.

The Committee on Nomination presented its report, naming the following candidates from whom the convention shall select members of Board of Directors to fill vacancies.

Charles G. Rapp, Philadelphia.

Henry T. Smith, Chicago.

C. D. Maclaren, St. Paul.

Lee M. Hutchins, Grand Rapids.

W. G. Seely, Jr., Detroit.

Frank Simpson, Los Angeles.

George G. Ford, Rochester.

A recess was then taken until next day, June 16, 1905, at 10 A.M., at the Gayoso Hotel, Memphis, Tenn.

### Hotel Gayoso, June 16.

Convention of National Association of Credit Men called to order by the President at 10.35 A.M.

President—We will open this session with an invocation by the Rev. W. T. Bolling, of Memphis.

Rev. W. T. Bolling—Almighty and Everlasting God! We would recognize Thee in all our ways as the Director of all of our movements, realizing that in Thee we live and move and have our being.

We come into Thy Holy Presence with profound thankfulness for this great country which Thou hast given us, for all that Thou hast granted to us in the richness of our heritage, in the vastness of its area, in the fertility of its soil, in the richness of the very bosom of the earth from which cometh so much wealth; and we thank Thee, O Lord, that in Thy goodness and Thy mercy Thou hast so ordained things as that from one end of our country unto the other to-day, from the Great Lakes of the North unto the very Gulf of the South, and from ocean to ocean, there reigneth peace, and that we are one in all of our desires and in all of our efforts looking to the advancement of the interests of our common country.

We thank Thee, O Lord, for the wealth and for the prosperity which has come unto us, for we realize that it has come from Thy hand. We bless Thee for these organized, laboring efforts of business men for the advancement of our business interests. We thank Thee for the vast wealth and the earnest brain of our country that is destined to make it the greatest commercial nation of the earth.

May Thy special benediction rest upon this body of credit men, who have so much to do with all of our commercial development. Bless them in their coming together, bless them in their hopes, bless them in their individuality, care for them in body, guide and direct them in mind, and elevate them to the very highest and best life. We pray Thee, O Lord, in Thy goodness and mercy that they may be enabled to so plan and so act, that all things may work together for the highest development of the interests of our country and of our common brotherhood of mankind.

Hear us in this, our earnest petition, accepting our thanks, guiding us with Thy wisdom, upholding us with Thine arm, and as a nation and as individuals, guide us to Thy glory and save us, for the sake of Christ our Redeemer. Amen.

President—The Secretary will proceed with the reading of communications, announcements, etc.

Secretary—The Tennessee Bankers' Association will hold their annual meeting at Lookout Mountain, Tuesday and Wednesday, June 20-21, and an invitation to credit men attending the Memphis Convention is most heartily extended to be present at this Bankers' meeting.

President Standart had the misfortune yesterday to lose a very handsome silk umbrella, finding in its place a dilapidated one. He would very much like to make another exchange. (Laughter and applause.)

Mr. I. B. Jacobs, of St. Louis, sends the following telegram: "My spirit is with you. Sorry cannot attend in person. Best wishes for a gloriously successful convention."



We have also received the following telegram from Malcolm Graham, Jr., of New York: "My regrets at not being with you to-night are best expressed in the following verse:

"Joys of all descriptions  
Are known to many men,  
But 'tis joy that never wearies  
To be asked to drink again."

The Auditing Committee presents the following report:

MEMPHIS, TENN., June 16, 1905.

To the Convention:

Your auditing Committee begs to report that they have verified the Treasurer's report, and have found the same to be correct.

DAVID S. LUDLUM, Chairman.

Report accepted and placed on file.

Chairmen of State delegations have been appointed as follows. These appointments are simply made for the purpose of convenience in calling delegations together.

Georgia—C. J. Beane.	Nebraska—E. M. Andreesen.
Maryland—F. J. La Motte.	California—W. H. Preston.
Alabama—H. W. Coffin.	Kentucky—S. A. Hilpp.
Masachusetts—E. M. Harding.	Virginia—E. F. Sheffey.
New York—A. H. Burt.	Tennessee—John W. Bailey.
Illinois—F. A. Smith.	Wisconsin—W. W. Wallis.
Ohio—Max Silberberg.	Louisiana—E. Rosenberg.
Colorado—John Callis.	Pennsylvania—Edward Hill.
Minnesota—F. J. Hopkins.	Oregon—F. S. West.
Michigan—A. E. Kiefer.	Kansas—J. B. House.
Missouri—C. S. Dickey.	

The following letter was received from the Norfolk Credit Men's Association:

NORFOLK, VA., June 12, 1905.

FREDERICK W. STANDART, Esq., President,  
National Association of Credit Men,  
Memphis, Tenn.

DEAR SIR:

Our Association, recently organized, affiliated with the National Association on May 4th last with 32 qualified members, and we are doing a good work already to their entire satisfaction, many of them being very enthusiastic in their co-operation.

We have an extensive card index system worked on the plan of the Louisville and several other associations, furnish our members a monthly list of turned down orders and unsatisfactory customers, and have a dunning or collection letter system based on the idea of the National Association letter, which is being used by our members on their old "bad pay" customers, and it is bringing the money where it can be had and opening the eyes of those of their customers who haven't it, but who are anxious to 'protect their credit', and making them plead for 'mercy' and beg us not to do anything to injure their credit."

Some of our jobbers who did not join us in the organization of this great work are now asking information as to our operations and express-

ing a desire to get in, and we expect to have nearly all of them very shortly.

At our members' meeting on the 8th inst., I was instructed to communicate with all the near local associations with the view of exchanging our monthly turn-down and unsatisfactory list, which if done and properly carried out will work as a sort of "endless chain," and in a short time would carry the names on this list to every market from which they buy or order goods.

Although we are at this time unable to be represented at the Annual Convention except by proxies, yet the good wishes of our Association are with you, and we hope to have such a large and enthusiastic delegation at the next annual meeting as to make up for our absence this year.

Yours very truly,

THE NORFOLK CREDIT MEN'S ASSOCIATION,

W. H. LUMSDEN,  
Secretary.

The Secretary then read the report of the Committee on Credentials, which report was approved as read.

President—In preparing the program or order of business for this session, the executive of the Association felt that the attitude of this body had been so clearly stated as being in favor of the Bankruptcy Act that it was proper and right at this time that we should have an address upon this subject, an address that would place before the country at large our views on this matter. We therefore invited a member of our organization, Mr. Wm. A. Prendergast, who, we felt, was thoroughly competent to handle and present this question in a proper manner, and it is now my pleasure to present Mr. Prendergast. (Great applause.)

### **An Enduring National Bankruptcy System the Inherent Ally of Commerce and Credit.**

ADDRESS DELIVERED BY MR. WILLIAM A. PRENDERGAST, New York  
City, N. Y.

In his Essay on "Signs of the Times" written in 1829, Carlyle says, "Were we required to characterize this age of ours by any single epithet, we should be tempted to call it, not an Heroical, Devotional, Philosophical, or Moral Age, but above all others, the Mechanical Age." The Mechanical Age—even then in its incipency, but soon to become the great leviathan of the industrial sea—marked the incoming of that succeeding age in which we live and move, and for an adequate description of which we are justified in paraphrasing the words of Carlyle just quoted. If we were to denominate the present age, we would say that it is not "an Heroical, Devotional, Philosophical or Moral Age, but above all others, the Commercial Age."

While in its earlier applications and uses the functions of commerce were not dependent upon a well understood or elaborated theory of credit, in its modern utilities credit is an inwrought element of the commercial system. Commerce and credit are thus the great dynamic influences which animate the activities of this mighty world. The employments, the pleasures, the literature of every race are affected by the controlling impulses of the times; and as a natural conclusion, the law, designed for the regulation and protection of human rights, must necessarily partake of and adapt itself to the dominating spirit of the age.

With each succeeding day, the Empire of Commerce is asserting its unchallengeable sovereignty over the thought and aspirations of the human mind, and with the growth of its supremacy, there has also developed the necessity of establishing legislative safeguards for the vast interests it typifies. This condition has been lucidly explained by Madison in the 10th number of the *Federalist* as follows: "Those who hold and those who are without property, have ever formed distinct interests in society. Those who are creditors and those who are debtors fall under like discrimination; a manufacturing interest, a mercantile interest, a moneyed interest, grow up of necessity in civilized nations and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation."

The characteristics which make for success or failure in the great drama of commerce or business life, cannot be measured by any known rules of human action; neither can the forces or principles underlying them be reduced to a scientific exactness or identity. For these reasons the sum of successes and failures represent certain indefinable economic manifestations over which the realm of legislation must exercise its authority. As an illustration of this state, and also as leading definitely to the consideration of the primary object of this address, John Stuart Mill in his *Political Economy* has said: "It is true that to persons of the same amount of original means, there is more chance of making a large fortune in some employments than in others. But it would be found that in these same employments, bankruptcies also are more frequent and that the chance of greater success is balanced by a greater probability of complete failure."

Bankruptcies, insolvencies, business collapses or failures—whatever we are pleased to name them—are unquestionably an inevitable outcome of commercial engagements or enterprises, and consequently, in a constantly expanding commercial environment, as that which surrounds every phase of human activity to-day, the duty rests, not perfunctorily, but solemnly, upon those entrusted with the law-making powers of the government, to legislate not only wisely but permanently upon these questions which concern the relations of debtor and creditor and the multifarious interests represented by them.

The proceedings of the Convention in which the Constitution was framed disclose unmistakable evidence that it was such a conception of the obligations of a government to its people, that prompted that body to include in the powers delegated to Congress the right "to establish uniform laws on the subject of bankruptcies throughout the United States." The judgment of those who have made a life study of this and kindred subjects is unanimous on the point that a system of bankruptcy laws is a concomitant of the operations and progress of commerce. Robertson has said, "The law of bankruptcy is in fact a modern creation, slowly evolved out of the criminal code in answer to the necessities of a spreading industrial life." The failure of Congress to maintain a continued national bankruptcy system has always afforded those opposed to national regulation of this important question a favorite though inadequate argument against it. In the majority report upon the bill to repeal the present Act, submitted to the House of Representatives Feb. 6, 1905, the argumentative paucity of which indicated a bankruptcy of knowledge upon the important subject under discussion, we are told that "it has never been the policy of the United States to have a permanent bankruptcy law." Those responsible for this statement evidently expect the people of the country to regard a persistent omission of the duty owed to the commerce of the nation as

an evidence of exalted rectitude. As against this statement, however, it can be said that there has hardly been a period of our history when there has not been a rigorous demand for the enactment of an exemplary national bankruptcy law. The repeal of the Law of 1867 was immediately followed by a general demand for a new and a more satisfactory law, a demand that growing in volume and intensity, had its fruition in the Act of July 1, 1898. The refusal of Congress to legislate upon this subject was for years the cause of strong disapproval on the part of the great mass of the commercial interests of the country and placed us in the position, once described by a prominent member of Congress, as behind every enlightened nation of the world and on the level only of China.

When De Tocqueville (certainly one of the greatest students of governmental institutions the world has produced, and whose "Democracy in America" is recognized as a standard) paid his eventful visit to America, one of the anomalies to which he called attention in this celebrated work was the failure of Congress to enact bankruptcy legislation, a matter he said, "in which the intervention of the Union is clearly necessary." The history of bankruptcy legislation demonstrates that neither in principle nor in practice is it a new or untried method of controlling the many and important questions involved in its operation. It has developed in the range of its application, in the breadth of the principles of justice it exemplifies, in the humanitarian influence it dispenses, with the recurring evolutions that have signalized the thoughts and tendencies of the commercial world, during the past four hundred years. Where once it wrote servitude and despair for the unfortunate, to-day it affords hope and encouragement to him who, though unfortunate, has been honest in his misfortunes. Originally it contracted the number of those qualified to figure in business life by the penalties it imposed; to-day it extends the sphere of commerce by the freedom of action it affords the honest debtor, and the sustenance it gives the credit system, in the equity and universality of its provisions.

I take issue squarely and in no spirit of compromise with those in or out of Congress, who maintain that the present law was passed as a temporary measure in order to afford relief to those impoverished by the panic of 1893; if that was the motive of certain of those supporting the measure (which I doubt) they misunderstood the gravamen of the demand which had been urged upon Congress for many years by business men and trade organizations throughout the country. The tremendous increase in interstate commerce, the glaring disparity and unfairness of the many state laws, the repeated injustices to which foreign creditors (those of different states) were subjected, due to the lack of harmony or uniformity in the state statutes, constituted the basis of the claim made by the people that not only should there be a national system instituted, but that it should be a permanent system. This feeling, strong at the time of the passage of the law, has since increased in vigorousness as the operations of the law in nearly all essential particulars have recommended themselves to the approval of the nation.

It has been held by some, for the sincerity of whose views we have the highest respect, that there exists throughout the country to-day a feeling of restlessness as to the merits of the Law and a desire that it be either materially amended or repealed. As to the urgency of certain amendments there will be no conflict of opinion and this feature of the situation will be treated later in this address. As to there being any unusual or numerous demand for the repeal of the law, I enter an emphatic negative. There is no country among the great family of nations where public opinion or popular sentiment manifests itself



with more alacrity or unerring force than in this great land; and it is inconceivable that there should exist any radical or considerable demand for the repeal of the bankruptcy law without it making itself powerfully evident, not only in public expression but especially through the medium of the press. On the contrary, public expression as far as we have been able to gauge it, and the means employed have been thorough, has been almost unanimously in favor of the retention of the law. The press of the nation, without respect to section or politics, has been most outspoken in its advocacy of the law and its desire for its preservation on the Statute Books.

The majority report, heretofore referred to, says "Trial and experience have demonstrated the manifold imperfections of this law and that many cases of injustice have come and are constantly coming from its operation. To substantiate this, we refer to the many bills now pending in Congress, some of them seeking to amend the Act in various particulars and others seeking its appeal." I ask, "What are the manifold imperfections and the many cases of injustice to which the report refers?" If they are so palpable, so blatant, so sinful, why not give at least one of them a name? why conceal them from the gaze of an expectant and inquiring people under a blanket of high-sounding but, in the circumstances, meaningless tautology. As to the "many bills pending in Congress, calling for either amendments or the repeal of the law," the amendments asked for in them were as harmless, considering the purposes of the law as a whole, as the most serious pronouncement of the Anti-Imperialist Society. The bills providing for the repeal of the law can be traced to the same quarters and interests, few in number, that have always been, and probably always will be opposed to a National Bankruptcy Law. Their representatives voted against the passage of the present Act; they opposed the amendment of the law in 1902 and will no doubt continue to array themselves against it, until, let us hope, they will come to realize and believe that the common interests of a whole people outweigh the selfish and purblind claims of a few small markets, or a fallacious assertion of State Rights on a question in respect to which the Federal authority is clearly set forth in the Constitution.

It has also been averred that there exists on the part of the small dealers of the country, notably the retailers, a hostile attitude toward the Bankruptcy Law; if this interest has suffered through wage-earners or consumers availing themselves of the discharge feature of the law, those who sell to the consumer must understand that they have the remedy in their own hands and are in a position at any time to curtail credit. This complaint, which has arisen in one or two jurisdictions, has never assumed such proportions as to justify the claim that there is a general antipathy to the law on the part of this numerous and influential element of the body politic.

It has been stated that the larger dealers only, desire the law and are those who benefit thereby; also that the larger dealers are not the best barometers of public feeling either as to the utility of the law or its acceptability as a national statute. It is futile to attempt to disassociate the interests of the large and small dealers, the wholesalers, manufacturers, jobbers and retailers. The first three classes mentioned are those who extend the great percentage of the credit of the country. Any law which protects them in their dealings with their customers, which enables them to realize the largest percentage of collections or dividends, thereby reducing losses, this character of law, is that which also enables them to sell to the retailer at a price in which the element of loss has been com-

puted at its minimum, and what is quite as assential, a law which guards them against preferential state statutes, permits, nay encourages, freedom of credit, of which the small dealer is the beneficiary.

The majority opinion favoring the repeal of the law also says:

"We do not believe that there is any necessity or any general public demand for the longer retention of the law. It has tended to burden the Federal courts with litigation which we believe could be just as well conducted by the courts of the States. Doubtless the people of the various States uphold honest laws and the courts of the various States administer justice as honestly, faithfully and fully as do the Federal courts. Bankruptcy law and other unnecessary Congressional legislation, creating new civil remedies and new penal offenses, are burdening the Federal courts, and the administration of justice is not bettered thereby."

There is no dispute as to "The people of the various States upholding honest laws and of the desire of the State courts to administer justice as honestly, faithfully and fully as the Federal courts." To raise this question is to attempt to befog the issue. The State courts are called upon to administer the laws of their states; they must interpret those laws as they find them. It is not with the courts we are contending, it is with the laws themselves. To pretend that the law can be executed with that celerity, that justice can be dispensed with that precision, when forty-five different statutes are working as against one general law, is to argue the impossible, and resist the irresistible. The spectacle of the gentlemen who constitute the majority referred to weeping over the State laws excites neither state pride nor sympathy. It is because these state laws were neither equitable nor honest in their treatment of the creditor, and made a slave of the debtor, that we are opposed to them and prefer a National Bankruptcy Law. We prefer and insist upon a uniform system throughout the country, in place of a system of legalized anarchy under the operations of the state laws. According to the latter, the Attachment, the Garnishment, the Chattel Mortgage, the Judgment Note, the Deed of Trust, the Respite and the Replevin processes, with guilty collusion, and so called diligence as their running mates, made a travesty of justice. In the name of integrity, righteousness and progress, we protest against the suggestion of a return to these conditions and utter an unqualified condemnation of it.

It is my pleasure to quote the following from an address by John G. Gray, a leading Attorney of Seattle, as illustrating a few of the advantages of the National System as opposed to the State System:

"The bankruptcy law is more efficient than a state court receivership in this, that under the bankruptcy law all property, wheresoever situated, including that fraudulently conveyed, passes to the Trustees in Bankruptcy. To state the proposition more clearly, all property of the bankrupt, wheresoever situate, passes to the Trustee in Bankruptcy free and clear of all liens by judicial proceedings accruing within four months. The question of bona fide and want of knowledge is immaterial under the state assignment law in force in this state at the time the bankruptcy law of 1898 took effect, and that assignment law is only suspended for such time as the bankruptcy law shall be in force. Under that law it was within the power of a banker, or a friendly creditor to attach the property of his debtor situate outside of the State of Washington, and, at the same time, prove his claim in the insolvency proceeding. This, of course, worked an injustice and a hardship upon the merchandise and other unsecured creditors."

"Under state assignment laws a debtor in failing circumstances may

prefer a creditor, regardless of the fact that the creditor knew of his debtor's financial condition, and he may prefer certain creditors, if he acts without fraud, before making a general assignment, although such preference is made in contemplation of insolvency. This, of course, is strikingly in contrast with the provisions of the bankruptcy law, which provides that the transfers of property which include payments of money within the period of four months, while the debtor is insolvent, shall be a preference and voidable at the election of the trustee, if the creditor receiving the same had notice or knowledge that a preference was intended."

"In a recent bankruptcy case here the bankruptcy scheduled approximately a collar button and a pair of cuffs to cover debts aggregating \$10,000. The party elected trustee, when but two creditors were present, debated as to whether to expend five dollars to give bond; delayed for some time in giving his bond, and at last, after a lapse of six weeks, gave his bond, quietly obtained an order for the examination of the bankrupt, and on the day that the examination was to take place, procured an order for the examination of two witnesses, one the wife of the bankrupt; subpoena was served upon her after the bankrupt had left his home for the Referee's office; the bankrupt's testimony was in his favor; he had nothing, he had scheduled nothing, and apparently had been honest; but the wife, coming in later, was placed upon the stand and testified to transactions which showed that she was either a donee of approximately \$5,000 worth of property, or that she had been preferred to the extent of \$5,000 in payment of an indebtedness not exceeding \$2,000. It is needless to say that in this case the examination was effective. The testimony was clear and so diametrically opposed was the testimony of each that it would have taken a Solomon to have ascertained which was telling the truth. The property discovered in this case was real property within the State and a \$3,000 promissory note in a bank in a far distant city, and this note was tied up by a simple notice in writing delivered to that bank on behalf of the trustee. It is needless to say that as the result of a suit brought within this district to compel the transfer of all the property to the trustee and to set aside the conveyance as fraudulent and a preference, a fair compromise was made, with the acquiescence of the court, so that the creditors entitled to prove their claims received a fair proportion of their indebtedness. If this proceeding had been under the state insolvent law, or an assignment for the benefit of the creditors, no such examination could have taken place, and no such results could have been obtained, and it would have been necessary, for the purpose of reaching that note, if the same could be reached under such circumstances, to have an ancillary receivership in a distant city, at a considerable expense."

"All controversies regarding property in the hands of the trustee must be settled in the bankruptcy court; any person claiming property in the trustee's hands must litigate his claims before the Referee. This secures prompt adjudication of the rights of the claimant and of the rights of the estate. There is no delay. However, in the state court receivership leave is generally granted to the claimant to sue the receiver and an independent action is brought, with a probable jury trial, and the settlement of the estate is delayed for a long period. By reason of this additional litigation the allowance to the receiver and counsel is enlarged. If either receiver or claimant be dissatisfied with the result of the action, then follows the expensive appeal to the Supreme Court and the additional delay. Strikingly in contrast with this practice is the system of review of the decision of the Referee by the Judge of the court in bankruptcy matters. A simple certificate of the Referee and a

transcript of such evidence as is material, is forwarded to the Court, the matter is submitted upon oral argument or written brief, and in a short time the matter is decided by a judge whose decision is entitled to weight."

The great advantages of the present law have been summarized by an eminent authority, Referee William H. Hotchkiss, of Buffalo, as follows:

1. The prevention of preferences.
2. The administration of insolvent estates wholly in charge of the creditors interested.
3. The election of the Trustee by the creditors.
4. The acquirement of increased dividends from insolvent estates.
5. The adjustment of bankruptcies through compositions with the knowledge and under the direction of the court.
6. The reduction in expenses incident to failed accounts, notably in the case of attorney's fees.
7. The examination of the bankrupt by creditors.
8. The prompt administration of estates and an avoidance of the usual vexatious delays in litigation.
9. The sale of real estate clear of liens.
10. The expeditious adjudication of bankrupts, as distinguished from the tedious and expensive processes common to State courts.
11. The settlement of the affairs of corporations in bankruptcy in the interests of creditors and stockholders.
12. The use of contempt proceedings to effect the recovery of property.
13. The institution of ancillary proceedings to reach property lying in different states.
14. The excellent influence of the law in enforcing concert of action and mutual terms of settlement without recourse to legal proceedings.
15. The punishment of fraudulent bankrupts.
16. The filing of the proof of a debt without expense or the employment of an attorney, and thus, as a rule, the payment of dividends without the deduction of a collection fee. Save in questionable failures, there is no reason why a creditor should spend one farthing in advance or during administration in proving his debt or collecting his dividends.

I have now discussed the dependence of commerce and credit on bankruptcy legislation, the need of such legislation, the conditions and causes leading to the enactment of the present law; the iniquities and inequalities of the state statutes governing insolvencies; the sentiment of the country favorable and unfavorable to the law, certain criticisms of its opponents and epitomized some of the claimed advantages of the law. Those who are its friends do not allege that it is not susceptible to improvement. Considering that it is the product of human agencies, we count ourselves fortunate that such excellent results have been secured. The futility of expecting that any enactment, the work of a legislative body, will ever be entirely satisfactory to every one concerned has long been conceded.

Hamilton in the 85th number of the Federalist brings to bear upon this point his ever luminous reasoning, when he says:

"The result of the deliberations of all collective bodies must necessarily be a compound as well of the errors and prejudices as of the good sense and wisdom of the individuals of whom they are composed. The compacts which are to embrace thirteen distinct states (now forty-five) in a common bond of amity and union must necessarily be a com-



promise of as many dissimilar interests and inclinations. How can perfection spring from such materials?"

If the advocates of the law are asked what plan they have to offer to allay such opposition as may exist in Congress or elsewhere, the only and conclusive reply will be that wherever defects as to practice or administration have developed, relief is ever at hand and the Congress can and should furnish the necessary remedy in the form of amendments to the law. To assert that because certain defects have displayed themselves the law should be repealed, is to introduce into legislation a policy of destruction against which no statute could claim immunity. It would be well in considering this subject of amendment to establish as a premise that no amendments should be urged except those that are vitally necessary and that the fewer suggested the better.

After an exhaustive discussion and criticism of the law on the part of the National Association of Referees in Bankruptcy, at its Fifth Annual Convention at Niagara Falls, May 29 and 30, 1905, these experts in Bankruptcy practice and administration selected the following points as suggestive of those questions which mature consideration may lead all interested to decide embody fruitful material for amendments. They may be briefly defined as follows:

"That the compensation of receivers shall not in any event exceed that permitted to trustees for similar services and that ten days' notice of the application therefor, specifying the amount applied for, be given to all creditors."

"That the compensation of receivers shall be based on the gross proceeds realized, and not on appraised values and shall be paid when the trustee's fees are paid."

"That receivers be appointed only when absolutely necessary for the preservation of the estate and after reasonable notice to the bankrupt, unless such notice is dispensed with for good cause shown and after reasonable notice to such creditors as can be reached."

"That attorneys' fees shall only be allowed for legal services that are absolutely necessary and shall be allowed only upon verified and itemized accounts being filed and only after ten days' notice to creditors, specifying the amount applied for."

"That where the bankrupt shall have lost money or property at gambling within four months of such bankruptcy his discharge be not granted to him until he shall, within one year of his adjudication, return such money or such property or its value at the time of such loss."

"That the present third objection to a discharge (14-B(3)) be rephrased so as to include a materially false statement in writing made to any one for the purpose of being communicated to the trade."

"That as an additional objection to a discharge, that the bankrupt has not accounted satisfactorily for losses and that on this objection the burden of proof be on the bankrupt."

"That the burden of proof in respect to the objections for discharge enumerated in section fourteen of the law as amended be upon the bankrupt."

"That debts for necessities be also excepted from the operations of a discharge."

"That claims wholly for the purchase money of exempt property or for the services of a domestic be added to the debts not affected by a discharge."

"That each district court have ancillary jurisdiction to aid another district court in the administration of a bankruptcy pending in the latter."

That wages of traveling salesmen, if within the limitations of §64-b, be entitled to priority.

Any corporation engaged principally in manufacturing, trading, printing, publishing, mining, or mercantile pursuits to be entitled to the benefit of the bankruptcy act, as a voluntary bankrupt, on petition of an officer or stockholder of such corporation duly authorized at a meeting of stockholders held for that purpose by the vote of a majority in amount of the total stock of the corporation. Also all corporations to be amenable to bankruptcy, except banks, municipal and public service corporations.

The number of the suggestions here offered might lead some, not thoroughly informed as to the actual workings of the law—to believe that radical changes were contemplated; but an examination of these proposed alterations indicates that this would be a misinterpretation. No doubt those who are opposed to the Bankruptcy Law, will claim now, as they have before, that it is impossible to satisfy its advocates and that the periodical demands of the latter for certain amendments is indubitable proof of this contention. There is no disposition to avoid this feature of the subject, but rather an entire willingness to discuss it.

In bankruptcy law and practice we have to a great extent developed a new department of jurisprudence. The facility, the smoothness and the almost general satisfaction with which the law has been administered is at once a tribute to the able Judges and Referees, who have executed it, and an unanswerable demonstration of the virility and solidity of the law itself. That in the application of the many doctrines and provisions of this law occasional delinquencies have manifested themselves goes but to prove that it is the product of finite and not infinite origin.

There is neither disposition, desire, nor necessity to introduce into the law any unusual theory as to the rights of either debtors or creditors. The changes advanced would have the effect of strengthening certain present sections of the law and are born of the experience acquired in thoughtful observation of its practical operation.

An analysis of the suggestions involved yields this result: Four of the propositions relate to questions involved in Receiverships, principally the remuneration to be allowed them, and attorneys. They aim at a greater economy in administration, "a consummation devoutly to be wished." No doubt it will be charged that again creditors are demanding something for themselves and themselves alone; the soft impeachment is admitted. The insolvent estate is the creditors' and the creditors' alone. Its proceeds are theirs in morals and in law. Those proceeds should be manipulated with conscientious regard to the rights of those who hold the strongest interest in them. The honest debtor desires that his estate will pay the largest possible dividend to his creditors.

Most of the remaining suggestions refer to obstacles, which should be placed in the way of dishonest and undeserving debtors securing discharges. We are told that many dishonest men seek relief in bankruptcy and that this should not be permissible. The Congressional report to which frequent reference has already been made, says on this point, "that many dishonest men are taking repeated advantage of the law to avoid the payment of just debts." The panacea for this condition needs no especial elucidation. Amend the law so that the man who dissipates his estate by gambling will not be entitled to a discharge unless he make complete restitution. Debar the man who has given a materially false statement in writing to anyone for the purpose of being communicated to the trade from the benefit of a discharge. Say to him who cannot or

will not account satisfactorily for his losses that he has forfeited the boon of a discharge. Wholly important in these connections, place the burden of proof as to these elements squarely on the bankrupt. If those who have criticised the law because some dishonest men have defeated its objects, will lend their assistance toward strengthening the discharge features, they will be making for higher standards in business affairs and an enhanced regard for the sanctity and majesty of the law.

For twenty years prior to the passage of the present Bankruptcy Law, the friends of this character of legislation strove zealously for the success of the cause. At that time the business interests of the nation did not present the unified force in behalf of such a law as they splendidly exemplify to-day in their adherence to it. During the period mentioned there were sharp and powerful divisions in the ranks of the commercial army as to the wisdom and expediency of such a statute. To-day, the great business institutions of the land—who were formerly most active and potent in their hostility—are either avowed friends of the law, or reconciled to the fact that it has come to stay, and has more than responded to the best hopes of its progenitors. In all this we perceive the impregnable foundation of an enduring national bankruptcy law.

Commerce knows no state lines. The laws which regulate commerce and govern the relations of its different factors should be as untrammelled in their operations as the spirit of commerce is unrestrained in its power and functions. The highest interests of commerce require that the citizenship of every state should sell and buy, one with the other, under conditions of absolute equality which a national bankruptcy law alone ensures. The chaos due to the confused and preferential state laws is an insult to commercial progress and a violation of the precepts of political economy. Commerce induces relationship and sympathy between the people of states and sections that no other known influence so effectually promotes. Verily, as Montesquieu has said, "Commerce is the cure for the most destructive prejudices." The glory of England rests not alone in the sturdiness and broad nationality of her people, but largely in the fact that her commerce and her law have gone hand in hand, thus upbuilding a system which has ever enabled her to be a leader in the stately procession of the nations. It is our part and our hope to be humble instruments in the creation and development of those theories of commercial and legal economy, the ascendancy of which will ever illumine the sacred temple of human liberty.

Mr. Bannin, of New York—Mr. Chairman and Gentlemen: I wish to ask, with the reception of this grand and sound address which we have heard delivered to us by Mr. William A. Prendergast, that a vote of thanks be extended to him.

Motion seconded and unanimously carried.

Mr. Krauthoff, of Kansas City—Is the discussion of any matter outlined in the paper in order?

President—There will be no discussion in connection with this address.

The next order of business will be the report of the Legislative Committee, which will be read by the Secretary.

The Secretary then read the report, which is as follows:

#### **Report of the Legislative Committee of the National Association of Credit Men.**

*To the President and Members of the National Association of Credit Men:*

Your committee respectfully submits the following report giving in detail, as far as is deemed expedient, the particulars concerning the prog-

ress made in legislation, the difficulties encountered, and the new questions arising during the year in which your committee has had the honor to be in charge of this important branch of the Association's work.

It will be remembered that certain resolutions were adopted at the convention held in New York in June, 1904, which in great part defined the work to be undertaken by the incoming committee.

We shall in this report refer to each resolution in order that the present status of these questions may be thoroughly explained to and understood by this convention.

Resolution No. 1 referred to the continuance of the publication of the pamphlet, "Laws Regulating the Sales of Stocks of Goods in Bulk." In pursuance of the instructions contained in the resolution a revised edition of 3,000 copies of the pamphlet was published December 1st, 1904, containing the laws of twenty-two States and Territories, together with an exhaustive review including citations on all important cases and the text of a number of Supreme Court decisions.

Since the date before referred to it has been necessary to issue in supplement form opinions from the Supreme Courts of Indiana and New York, and the law of the States of Maine, Pennsylvania and Illinois.

Your committee believes that the experience of the year has more than ever justified the publication of information on this important subject, and heartily recommends that a revised edition be issued during the coming year, believing that it is absolutely indispensable for use in States where legislation is being attempted, and where there is a general lack of information on the subject. The pamphlet is equally valuable to the membership at large, as it gives them the status of and the points of difference between the laws of the various States and the decisions of the courts in reference thereto. To this end we offer the following resolution:

*"Resolved,* That the National Office be instructed to continue the publication of the pamphlet on "Laws Regulating the Sales of Stocks of Goods in Bulk," each subsequent edition to contain any new laws which may be enacted, and all important decisions involving the constitutionality of the same."

Resolution No. 2 referred to the so-called Lodge Bill, which provided for the reorganization of the United States Consular Service.

Early in the year the members of the Legislative Committee were urged to communicate with the Senators and Representatives from their States in order that our position in reference to this much-needed legislation might be clearly defined, and that Congress would be duly apprised that the National Association of Credit Men, as a body, and its members as individuals, were heartily in favor of this movement. The members of the committee were commendably diligent in their efforts in connection with this subject.

The adjournment of Congress, without decisive action being taken on this question, was a severe disappointment to the friends of Consular Reform, and as it should undoubtedly be agitated in the next Congress, your committee offers this resolution:

*"Resolved,* That the National Association of Credit Men, in convention assembled at Memphis, Tennessee, this 17th day of June, 1905, again expresses its cordial approval of the efforts being made, providing for the reorganization of the Consular Service of the United States.

*"Resolved,* That we hereby recommend to the Fifty-ninth Congress the enactment of the original Lodge Bill, or a similar bill, containing the following principal provisions:

1. Substitution of salaries for fees.



2. Improved classification or grading and transfer of Consular officers and increase of salaries.
3. Adoption of the merit system of examination, appointment and promotion of consuls.
4. Consuls must be familiar with either the French, German, Spanish or Chinese language, and possess a knowledge of the natural, industrial and commercial resources of the United States, with reference to the possibilities of increasing and extending the trade of the United States with foreign countries to which they are accredited.
5. Tenure of office to continue only during efficiency and conduct of the highest grade.
6. Complete Americanization of the Consular Service.

*Resolved*, That the Secretary be and is hereby directed to forward copies of this resolution to each member of the Senate and House of Representatives at Washington."

Resolution No. 3 referred the so-called Kadeski-Wallace litigation to this committee with the recommendation that the Association should either undertake the case and prosecute an appeal from the decision of the judge in the Southern District of Illinois, or frame, and seek to have adopted, an amendment to the National Bankruptcy Law which would make the practice of frauds similar to that perpetrated in this case impossible. Your Chairman, after carefully considering the matter in conjunction with the officers and Executive Committee of the National Association, decided that it would be unwise to attempt the amendment of the Bankruptcy Act, basing its action upon this single case, and the committee accordingly took no action in the matter. The National Office, however, in view of the action of the Convention, and the fact that the Association was heartily in sympathy with the prosecution of this fraudulent case, and which is being continued in the State courts, has extended aid, financial and otherwise.

By resolution No. 4 the National Association of Credit Men, in convention assembled, placed the seal of its approval upon the efforts that had been made by Mr. G. W. S. Musgrave, of Baltimore, to secure the enactment of an amendment to Section 5480 of the Revised Statutes of the United States, the purpose of which was to include as an offense against the said statute, and punishable thereunder, the mailing of a fraudulent statement for the purpose of obtaining credit, and recommended the co-operation of all in furthering this legislation. The functions of the committee have been fully utilized through letters written to, and where possible, personal interviews had, with Senators and Representatives for the purpose of explaining to them the intent of this enactment, and showing its importance to the business community. The February, 1905, number of the BULLETIN contained an excellent article by Mr. Musgrave upon the objects and purposes of the proposed law.

This matter was before the Judiciary Committee of the House of Representatives of the Fifty-eighth Congress, but no report was made on it. Your committee being advised that a further effort to secure this proposed amendment will be made in the Fifty-ninth Congress offers this resolution:

*Resolved*, That the National Association of Credit Men pledges its support to and hereby re-affirms its endorsement of the efforts being made by the Baltimore Credit Men's Association to obtain the amendment of Section 5480 of the Revised Statutes of the United States, as follows:

"And any person who shall, for the purpose of obtaining or aiding to obtain any money, credit, goods, wares, merchandise or other things of value, for himself or for any other person, firm or corporation, and with intent to defraud, place or cause to be placed in any post-office or other receptacle for mail of the United States, to be sent or delivered by the said post-office establishment, any false or fraudulent statement of his financial condition or of the financial condition of such other person, firm or corporation, or of the amount or character of his, their or its assets or liabilities, knowing the same to be false, shall, upon conviction, be punished by a fine of not more than \$1,000 and by imprisonment for not more than five years, or by both such punishments at the discretion of the court."

Resolution No. 5 made it incumbent upon your committee to undertake some work in reference to a reform of the exemption laws of the various States. After due consideration of this question your committee is convinced that it is an impossibility to accomplish any reform in the exemption laws until there is a sufficient demand from the business men of a particular State or States for such reform, and such demand must be supplemented by sufficient local interest to warrant an organized attempt to legislate. Until there is an evidence of general interest in the matter, and an expressed willingness to co-operate, it is inadvisable for the National Association to attempt anything in this direction beyond the upbuilding of a public sentiment in favor of a greater degree of uniformity in exemption laws. In furtherance of this your committee offer these resolutions:

WHEREAS, It is recognized by the business public that the exemption laws of many States are unduly liberal, affording creditors protection, that under present conditions is unnecessary, and contrary to the underlying principle of exemption law, and

WHEREAS, It is also recognized that Federal legislation, making all such laws uniform is at this time impracticable; therefore, be it

*Resolved*, That the National Association of Credit Men, through its Legislative Committee, its State Vice-Presidents, and the officers and members of affiliated branches, enter upon a campaign of education in those States where reforms are most needed, to the end that public sentiment may be aroused and the necessity of reform fully realized. Be it further

*Resolved*, That the consideration of the subject be made a special feature for discussion by the local organizations during the coming year, and that the National organization pledges its assistance wherever and whenever a sentiment exists that will warrant legislative effort.

At the Annual Meeting of the Directors at Chicago your committee was instructed to advocate the adoption by all the States of a law similar to one which has been in force in New York State for four years, the purpose of which is to make it necessary for all persons carrying on a business under an assumed name to file with the County Clerk a statement of the actual names of the real parties owning and operating the business. The National Office has issued a large quantity of circular matter pertaining to this proposed legislation, in which considerable interest has been evidenced, as shown by reports received from local associations; it is probable that in several States measures will be introduced at the next session of the Legislature. Your committee would recommend to the Legislative Committees of local associations that before taking any action preparatory to the introduction of such a measure steps be

taken to ascertain whether a law similar in any of its provisions to the one your committee has recommended is in existence. Your committee's object in calling attention to this can be best illustrated by referring to a report which reached the committee, showing that in Ohio the law of that State now requires the registration of the true name where fictitious names are used by partnerships, but no restrictions are placed upon the use of a fictitious name by an individual. In accordance with the foregoing your committee offers this resolution:

"WHEREAS, Recognizing the value of the protective features contained in the law of New York State, Chapter 216, Laws of 1900, Penal Code, Section 363 B, therefore be it

*"Resolved,* That the National Association of Credit Men recommend that steps be taken in the various States to secure the enactment of laws designed to regulate the carrying on of business under an assumed or fictitious name."

As to regulating the sales of merchandise in bulk, your committee is highly gratified to report a year of aggressive work and the accomplishment of good results in the way of added legislation and in respect to court decisions covering the point of constitutionality. There has been intelligent, able and hearty co-operation in almost all sections where legislation has been attempted, and the results have been particularly pleasing.

In order that the members may be fully informed as to the extent of your committee's labor in behalf of bulk sales legislation, it is considered necessary to place before you a brief statement covering the results as reported to the committee. In the following States bills were introduced: Florida, Indiana, Illinois, Kansas, Maine, Michigan, Missouri, New Hampshire, New Jersey, North Carolina, North Dakota, Pennsylvania, Rhode Island, South Carolina, Texas, Vermont, and West Virginia.

The committee is pleased to report the successful outcome of their efforts in the States of Illinois, Maine and Pennsylvania.

An attempt was made in the Legislature of New York State to obtain the repeal of the Bulk Sales Law of that State. Your committee vigorously resisted the repeal and was successful in its opposition. Your committee is advised that the provisions of the law of Virginia have been slightly changed by legislative enactment, which has tended to strengthen the law of that State. Your Chairman has received reports from the members of his committee in which is set forth in detail the circumstances surrounding the defeat of your committee's efforts in the States where the measure failed of passage. Your Chairman will not attempt to review these reports, but in his opinion failure in the majority of the cases can be attributed to the lack of a full understanding of the question.

That your committee's opinion in this respect is well founded can be best judged from the argument used by a leader in debate while a bulk sales measure was under consideration:

"It is admitted that the bill is a good thing for the wholesalers, but they are a small class; retailers are a large class, and to them it is a most iniquitous measure. It proposes to put a blanket lien upon the entire stock of the retailer, and without limit, and makes him the slave of the wholesaler. It is a rank piece of class legislation. The National Association of Credit Men of New York, a sort of collection agency, is behind this movement. It favors New York and Massachusetts wholesalers as against the citizens of our State."

Before closing this subject, your Chairman desires to make brief mention of the more important court decisions which have been reported

during the past year. The Supreme Court of Connecticut, in the case of *Walp vs. C. A. Mooar*, upheld the constitutionality of the law of that State.

In the case of *McKinster vs. Sager*, the Supreme Court of Indiana held the law of that State to be unconstitutional.

The law of Utah was declared unconstitutional by the Supreme Court in the case of *Block vs. Schwartz*.

The most important case of the year, however, was that of *Wright vs. Hart*. The case was argued before the Appellate Division, First Department, Supreme Court of New York State. The decision was a divided one. This case has been taken on appeal to the highest court in New York State, the Court of Appeals, and the decision of this Court is awaited with great interest. Judge O'Brien, who wrote the majority report of the Appellate Division, used this language in commenting on the right, on the part of the Legislature to enact such laws:

"The Legislature has the unquestioned right to enact suitable and proper laws for the common welfare, and while the liberty and property of the citizen are sacredly guarded by both State and Federal Constitutions, nevertheless, these rights which he has as an individual may be limited and restricted to a certain extent when necessary for the maintenance of the public safety, comfort and welfare. For the benefit of the public the Legislature may enact laws which control the conduct of the individual, and the use which he is permitted to make of his property, so as to interfere to some extent with the freedom of the one and the enjoyment of the other."

The views of Mr. Justice O'Brien on the cause and effects of the law are highly satisfactory to the friends of the measure. He says:

"The number of States now having statutes bearing on this subject is evidence that the evil sought to be remedied is widespread, and that the object desired to be effected, namely, the prevention of fraud and injustice, has strongly appealed to legislators in whom is vested the power of enacting laws for the public good. We assume that no one will question the fact that the end sought by these enactments is right, just and commendable. Therefore, in considering the constitutional question presented to us, we are only called upon to determine whether in the means adopted to accomplish this end the Legislature of our State has violated any of the constitutional safeguards which the people have established for the protection of their property rights. The statute does not interfere with any transactions which take place in the ordinary course of business; it only regulates sales that are made in an unusual and extraordinary manner. It does not even forbid or restrict such sales. It simply regulates them by providing that certain formalities must be complied with by the vendor and vendee, otherwise, the sale will be void as against creditors. If the vendor pays his debts, then, even though he does not comply with the provisions of the statute, the sale is good as against all the world. It is only when he fails to pay his just debts that he or the purchaser need fear an attack upon the transaction."

"The purpose of the statute, as already stated, is to prevent fraud in the sale of merchandise. That it will tend to prevent the particular fraud aimed at does not permit of doubt. The court can see from a perusal of its terms that there is a fair, just and reasonable connection between it and the object for which it was enacted, to wit, the general welfare of society (*Whiteley vs. Terry*, *supra*; *People vs. Gillson*, *supra*). Nor are its provisions unreasonable. It requires that an inventory shall be made of the goods to be sold, which shall show 'so far as possible with the exercise of reasonable diligence, the cost price to the seller of each



article; it requires the purchaser to give at least five days' notice of the sale, either personally or by registered mail, to each of the vendor's creditors of whom he has knowledge, and he must exercise reasonable diligence and in good faith make inquiries of the seller in order that he may ascertain the names of such creditors, the amounts due them and their respective places of residence or business; and the seller is bound to make and file a truthful answer to such inquiries. *All these things can be done without hardship or undue effort on the part of either the vendor or the vendee* The statute only requires the exercise of good faith and reasonable diligence, and it is in our opinion a proper measure for regulating extraordinary sales, and sales in bulk, so as to prevent a method of fraud which has become prevalent and widespread. If the vendor pays his debts, as already said, neither he nor the vendee need fear the statute. If, on the other hand, the vendor is unable or unwilling to pay his debts, then the statute puts a substantial obstacle in his way when he wants to dispose of his stock of merchandise in bulk or in an unusual manner, in order that he may himself receive the payment, to the exclusion of his creditors. It is, therefore, a salutary enactment promoting the general welfare, and not in conflict with the constitutional provisions which prescribe that the citizen shall not be deprived of his liberty or property without due process of law."

In view of the permanent progress made, and the apparent need of continued watchfulness and effort on the part of our Association, we propose the following resolution:

*Resolved*, That the National Association of Credit Men reaffirms its belief in the necessity, efficacy and constitutionality of the Uniform Bulk Law, and requests its members to continue the advocacy of the law in States where it has not been enacted, and to be active in its application in all cases coming under its provisions, and diligent in its defense whenever attacked.

Early in the first regular session of the Fifty-eighth Congress a number of bills were introduced into the House of Representatives, calling for the repeal of the National Bankruptcy Act; these bills were referred to the Judiciary Committee, which in turn referred them to a sub-committee. Just about a month prior to the dissolution of this Congress a demand was made for the consideration by the Judiciary Committee of these bills, the result of which was that a repeal bill which had been introduced by Congressman Clayton of Alabama was approved by the committee and ordered to be favorably reported.

Reports setting forth the majority and minority views of the committee were in due course submitted to the House by Representatives Clayton of Alabama and Powers of Massachusetts, respectively.

No action having been taken by the House of Representatives before the final adjournment of the Congress on March 4th, 1905, the measures referred to died with the expiration of the Fifty-eighth Congress.

Your committee was closely in touch with the situation, and anticipating that the Congress would adjourn without voting on the Clayton Bill, deemed it unnecessary to take any extraordinary action, confining its efforts entirely to keeping its members and the officers of affiliated branches informed as to the situation. President Standart, believing that the attempts to repeal the Bankruptcy Act would be renewed in the Fifty-ninth Congress, and with the approval of the Board of Directors, has taken a precautionary step in appointing a Special Committee on Bankruptcy.

Your Chairman heartily concurred in the step taken by President

Standart, as the National Legislative Committee is large and unwieldy, and its members so widely separated that it is difficult for it to accomplish quick and decisive action.

The majority report of the Judiciary Committee brought forth a storm of protests from the business men of the country, and your committee being convinced that the sentiment of the business community is largely in favor of a permanent National Bankruptcy Law, offers this resolution:

*"Resolved, That the National Association of Credit Men, in Convention assembled, renews its expressions of earnest belief and adheres to the ethical principles and practical efficacy of a permanent National Bankruptcy system."*

Your Committee would call attention to the lack of uniformity in the statutes of the various States as to the provisions for the filing or recording of chattel mortgages. In some States it is required that chattel mortgages be filed or recorded with the Town Clerk, while in other States it is required that such instruments be filed or recorded with one or a number of county officials.

Your Committee is of the opinion that in all cases, chattel mortgages should be recorded and filed by the County Officers, preferably the County Clerk, and on this subject your Committee offers this resolution:

WHEREAS, There exists a lack of uniformity in the requirements of the various States governing the filing or recording of chattel mortgages and conditional sales, therefore be it

*Resolved, That the Legislative Committee of the National Association of Credit Men, be and is hereby requested to investigate this important subject, and take such steps as may be necessary towards securing more uniform chattel mortgage and conditional sales laws.*

So many communications were received by your Chairman in respect to Parcels Post and Penny Postage matters, that he deemed it advisable to issue a letter to the members of the committee and to the officials of each local association, asking for an expression of opinion on these subjects. No action was recommended beyond requesting the local associations to discuss the matter at some meeting in order to get an expression of opinion from the members at large, so that the Legislative Committee could learn from the responses received from various quarters whether or not there was a sufficient interest taken to warrant recommendations being offered for the consideration of the next convention. The responses to the invitation to express an opinion in regard to these questions was not general, but a sufficient number of replies was received to indicate that it is the consensus of opinion that the National Association should not at this time interest itself in any effort to secure the indicated changes in our postal regulations.

In conclusion, your committee desires to publicly express its thanks for, and appreciation of, the ever ready and intelligent assistance rendered by our National Secretary, Mr. Meek, as well as for the cordial co-operation of officers and members alike, and the kindly expressions of commendation and encouragement which have been made during the past year, and your Chairman personally wishes to emphasize the foregoing as related to his individual efforts, and to extend his cordial thanks to every member of his committee from whom he has received loyal and hearty support.

Respectfully submitted,

GEO. G. FORD, *Chairman.*

President—The Secretary will now read the resolutions separately, and they will be acted upon as read.

Secretary—The first resolution is as follows:

*“Resolved, That the National Office be instructed to continue the publication of the pamphlet on ‘Laws Regulating the Sales of Stocks of Goods in Bulk,’ each subsequent edition to contain any new laws which may be enacted, and all important decisions involving the constitutionality of the same.”*

President—It is not necessary to move the adoption of these resolutions, as we can regard the report of the Committee as a motion to adopt, unless adverse action is taken, such as laying on the table.

Mr. Kennard—Are these pamphlets published in suitable form for distribution among legislators?

President—Yes. We have plenty of pamphlets with which to supply members of legislatures.

Mr. Kennard—I think legislators lack light on this subject. That is the trouble I have had.

President—The Association is prepared to supply every member of every legislature in the United States with these books.

Resolution number 1, as read by the Secretary, unanimously adopted.

Secretary—The second resolution is as follows:

*“Resolved, That the National Association of Credit Men, in Convention assembled at Memphis, Tennessee, this 16th day of June, 1905, again expresses its cordial approval of the efforts being made, providing for the reorganization of the consular service of the United States.*

*Resolved, That we hereby recommend to the Fifty-ninth Congress the enactment of the original Lodge Bill, or a similar bill, containing the following principal provisions:*

1. Substitution of salaries for fees.
2. Improved classification or grading and transfer of consular officers and increase of salaries.
3. Adoption of the merit system of examination, appointment and promotion of consuls.
4. Consuls must be familiar with either the French, German, Spanish or Chinese language, and possess a knowledge of the natural, industrial and commercial resources of the United States, with reference to the possibilities of increasing and extending the trade of the United States with foreign countries to which they are accredited.
5. Tenure of office to continue only during efficiency and conduct of the highest grade.
6. Complete Americanization of the consular service.

*Resolved, That the Secretary be and is hereby directed to forward copies of this resolution to each member of the Senate and House of Representatives at Washington.”*

Unanimously adopted.

Secretary—The third resolution is as follows:

*“Resolved, That the National Association of Credit Men pledges its support to and hereby reaffirms its endorsement of the efforts being made by the Baltimore Credit Men’s Association to obtain the amendment of Section 5480 of the Revised Statutes of the United States, as follows:*

*“And any person who shall, for the purpose of obtaining or aiding to obtain any money, credit, goods, wares, merchandise or other things*

of value, for himself or for any other person, firm or corporation, and with intent to defraud, place or cause to be placed in any post office or other receptacle for mail of the United States, to be sent or delivered by the said post office establishment, any false or fraudulent statement of his financial condition or of the financial condition of such other person, firm or corporation, or of the amount or character of his, their or its assets or liabilities, knowing the same to be false, shall, upon conviction, be punished by a fine of not more than \$1,000 or by imprisonment for not more than five years, or by both such punishments, at the discretion of the court."

President—Are there any remarks on this resolution?

Mr. F. T. Day, of Indianapolis—I notice in this proposed amendment a phrase which has blockaded us seriously in Indiana. I refer to the phrase, "And with intent to defraud." Our Governor in vetoing our Bulk Sales Law directed our attention to the fact that with proper proof of intent to defraud we had all necessary redress in other statute laws; but, unfortunately, whenever it has been incumbent on us to prove the intent to defraud, we had no mind readers with us, and the attempt was futile.

I therefore move that this resolution be amended by striking out the words, "and with intent to defraud." It seems to me that these words are superfluous, for further on in the amendment we have this act defined as fraudulent, and it strikes me that by including this phrase we are taking upon ourselves an unnecessary burden, which will seriously hamper us in attempting to secure redress under the provisions of the amendment.

Amendment seconded.

President—The question is upon the adoption of the amendment.

Mr. Krauthoff—Under this amendment you could send a man to the penitentiary who had never bought any goods at all. The mere sending of these statements without any intent whatever would be made a penitentiary offence, and you could never get such a law passed. It is not legal to say, you will send a man to prison who has no intent of doing wrong. Criminal intent is the essence of wrongdoing. A man might send a false statement without intent to do anything wrong. The facts and circumstances disclose the intent, and criminal intent may be inferred sometimes from the act itself; but we ought not to act hastily in this matter by cutting out of the law the very word necessary to give it life and effect, and I think the amendment should either be referred to the Committee or voted down.

Amendment lost.

Resolution last read by the Secretary unanimously adopted.

Secretary—The fourth resolution offered by the Committee is as follows:

"WHEREAS, It is recognized by the business public that the exemption laws of many States are unduly liberal, affording creditors protection that under present conditions is unnecessary and contrary to the underlying principles of exemption law, and

WHEREAS, It is also recognized that Federal legislation making all such laws uniform is at this time impracticable; therefore be it

*Resolved*, That the National Association of Credit Men, through its Legislative Committee, its State Vice-Presidents, and the officers and members of affiliated branches, enter upon a campaign of education in those states where reforms are most needed to the end that public sentiment may be aroused and the necessity of reform fully realized. Be it further



*Resolved*, That the consideration of the subject be made a special feature for discussion by the local organizations during the coming year, and that the National organization pledges its assistance wherever and whenever a sentiment exists that will warrant legislative effort."

President—Is there any discussion on this resolution?

Mr. F. A. Smith, of Chicago, Chairman of Chicago Delegation—The Chicago delegation believes that the importance of this measure warrants the Association in going further than the resolution reaches, and we therefore offer the following substitute:

"WHEREAS, The question of more uniform exemption laws in the various States is one of the most vital problems connected with interstate commerce, and inasmuch as a reform in that direction is more certain of accomplishment if our efforts are centered upon a definite plan stated in concrete form, be it

*Resolved*, That our Legislative Committee, acting in conjunction with the National office, be requested to compile a brief statement of the laws now existing, pointing out their inequalities and objectionable features, and to prepare a form of laws or list of exemptions which shall be equitable to both debtor and creditor classes and adapted to the business conditions prevailing in various groups of States, arranging such groups according to geographical location and commercial development."

Motion made, seconded and unanimously carried adopting substitute resolution last read.

Secretary—The fifth resolution reported by the Committee is as follows:

"WHEREAS, Recognizing the value of the protective features contained in the law of New York State, Chapter 216, Laws of 1900, Penal Code, Section 363 B, therefore be it

*Resolved*, That the National Association of Credit Men recommend that steps be taken in the various States to secure the enactment of laws designed to regulate the carrying on of business under an assumed or fictitious name."

Unanimously adopted.

Secretary—The sixth resolution recommended by the Committee reads as follows:

"*Resolved*, That the National Association of Credit Men reaffirms its belief in the necessity, efficacy and constitutionality of the uniform bulk law, and requests its members to continue the advocacy of the law in States where it has not been enacted, and to be active in its application in all cases coming under its provisions and diligent in its defense whenever attacked."

Unanimously adopted.

Secretary—The seventh resolution recommended by the Committee reads as follows:

"*Resolved*, That the National Association of Credit Men, in Convention assembled, renews its expressions of earnest belief and adheres to the ethical principles and practical efficacy of a permanent National bankruptcy system."

Unanimously adopted.

Secretary—The eighth resolution recommended by the Committee reads as follows:

"WHEREAS, There exists a lack of uniformity in the requirements of the various States governing the filing or recording of chattel mortgages and conditional sales, therefore be it

*Resolved*, That the Legislative Committee of the National Association of Credit Men be and is hereby requested to investigate this important subject and take such steps as may be necessary towards securing more uniform chattel mortgage and conditional sales laws."

Unanimously adopted.

President—Are there any other communications or resolutions germane to the report of this Committee to be offered from any member of the Convention?

Mr. G. G. Fletcher, of Chattanooga—I hold in my hands a communication from the business men of Knoxville, containing about fifty names of the best firms in that city, many of whom are personally known to me. They expected to have a representative here from their own number to present the matter, but in the absence of such representative, the petition has been handed to me to read. It is as follows:

"To the National Association of Credit Men, in Annual Convention Assembled:

WHEREAS, The enactment of a law to govern the disposition of a stock of merchandise, insofar as it provides for the liability of the owner of such stock to first discharge all indebtedness contracted in the purchase of the merchandise, can in no way inflict a hardship or injury upon a reputable merchant, but on the contrary, will restrict those who are unscrupulous, and,

WHEREAS, There is no statute now operative in the State of North Carolina which restricts and prevents one from disposing of his stock of merchandise with impunity, thus escaping all liability for just and honest debts, and,

WHEREAS, Many of the markets represented in the National Association of Credit Men, are, in due course of trade, doing a large volume of business annually in North Carolina, be it

*Resolved*, That the need of a law to prevent the disposition of a stock of goods in bulk, without the owner having first notified all creditors of the contemplated sale or transfer, is most imperative, and be it

*Resolved*, That proper steps should be taken to introduce to the attention of the Legislature of North Carolina the advisability of enacting a law which will obviate the fraud which is being constantly practised upon the jobbers in the various markets throughout the country.

It also occurs to the undersigned that vigorous measures should be employed, looking toward a remodeling of the exemption laws of the State of North Carolina. It appears that a merchant, as a matter of legal right, can elect to take his exemptions out of a moving stock of goods. This is inequitable, unfair, and is the source of constant fraud and perpetration of wrong.

It is further suggested that in every State in the Union exemptions are not granted as a benefit to the debtor, but rather for the purpose of insuring the family dependent upon him a home to live in and such possessions as are required to sustain life.

We would recommend that a petition be presented to the Legislature of North Carolina, pointing out the defects in the present exemption laws, and asking that such specific articles as are necessary to enable a man and

his family to live for a certain period of time, be particularly designated and defined, similar to those embraced in the exemptions in this State.

It also occurs to us that the two suggestions embraced in the foregoing proposition are of untold importance to all jobbers throughout the Union, and should be given careful consideration by the Association of Credit Men.

Dated at Knoxville, Tennessee, this the 5th day of May, 1905.

(Signed as stated.)

Mr. Fletcher—I am in hearty sympathy with these resolutions, because I have suffered in common with these people, and I take great pleasure in presenting them. There is one fact that I wish to state. I wish to state further that the exemption laws in the States of North Carolina, South Carolina, Alabama, Georgia, and perhaps in our State, are iniquitous, and should be revised.

Mr. Silberberg—I move that this communication be referred to the incoming Legislative Committee.

Motion seconded and carried, and communication so referred.

President—We will now take up the short and well-prepared report of the special Committee on Credit Co-operation. In the absence of the Chairman, Mr. Marks, Mr. Bird, of Boston, a member of the Committee, will read the report.

Mr. Bird read the report, which is as follows:

#### **Report of Committee on Credit Co-operation.**

*President and Members of the National Association of Credit Men,*

*Gentlemen:*—The spirit of co-operation is abroad and manifests itself everywhere. Your committee found the task entrusted to it very simple. It needed but the slightest touch to stir intense interest.

We are glad to be able to report a most satisfactory progress. In our convention a year ago this committee was brought into existence by virtue of the following resolution:

“WHEREAS, We firmly believe in and fully endorse the principle of the systematic interchange of ledger experience among the members of the Association, and are fully convinced that information of this class is of great value in determining credits, but deem it inexpedient for the National Association at this time to establish for itself a practical interchange system; therefore, be it

“Resolved, That the National Association of Credit Men urge its members to activity in the stimulation of movements for the purpose of credit co-operation.”

It was a great demonstration on the part of the organized credit men of this country to place themselves so strongly on record in favor of the most liberal system of interchange between merchant and merchant that has ever been known, and wherever the voice of the Credit Man was heard, the business men gave the subject serious consideration.

It is not so long ago that merchants kept their ledgers secret from one another, even when they were neighbors. Then came the period when friends and neighbors exchanged confidences, but now the spirit of brotherhood is spreading, and the time has come when every merchant is every other merchant's neighbor, and when all are combining against their common enemy, the dishonest customer.

The aversion to giving up secrets is disappearing rapidly as broad-minded merchants discover that secrecy is a two-edged sword doing harm

in every direction; that the only one benefited is the dishonest buyer, who prefers to work in the dark.

We present herewith a list of some of the organizations already in existence for the interchange of ledger information. The list is so important and comprehensive that it gives fair hopes for the early consummation of the complete development of the system. In general trades the following have been organized for credit co-operation, and are reported to be doing satisfactory work:

The Jewelers' National Board of Trade, with offices in Chicago, Providence and New York.

The National Association of Clothiers, with offices in the twelve largest clothing centers of America.

The Electric Trade Association of the Pacific Coast, with offices in San Francisco.

The Merchants' Credit Association of California, with offices in San Francisco.

The Stationers' Board of Trade of New York.

The Hardware Board of Trade of New York.

The Crockery Board of Trade of New York.

The Lumbermen's Trade Association, with offices in New York, Baltimore, Philadelphia and Providence.

The Glass Dealers' Protective Association.

The Manufacturers' and Dealers' Protective Association, dealing in plumbers' materials, with offices in New York.

The New York Paint and Allied Trades Association.

In addition to these the National Cloak, Suit and Skirt Association is now organizing, with offices in Chicago, Cleveland and New York; and the Fruit and Produce Association is extending its already existing organization. The wholesale merchants of Wilkes Barre, Scranton, and vicinity, are also operating a bureau for the exchange of credit information.

So far as our local Associations are concerned, you all know what very satisfactory work has been accomplished through the instrumentality of the locals in Louisville, Denver, Nashville, Birmingham, Sioux City, Youngstown, Norfolk and Memphis. In other cities, such as Lynchburg, co-operation has been accomplished through a Board of Trade. During the past year the Baltimore Credit Men's Association has organized a credit bureau, and has largely increased its membership thereby.

The Credit Men's Associations at Minneapolis, St. Paul and Duluth-Superior each not only maintain a separate credit bureau, but have arranged a system for the interchange of information.

Special committees have been appointed by the Cleveland, New Orleans, Grand Rapids, Columbus, Richmond and Savannah Associations with a view to the early establishment of credit bureaus.

It has been found that the strongest of our Associations are those that have a tangible object, such as credit co-operation, and that weak branches are strengthened when a definite object, such as this, brings the members together in a closer bond.

It was thought at first that such agencies as Dun's and Bradstreet's would be opposed to the formation of credit bureaus among the merchants, but, quite to the contrary, they realize that the educational features of such associations help their own individual interests. Merchants, by being trained to understand the importance of frank statements and open intercourse on matters of credit become better material for the commercial agencies and thus facilitate the securing of more valuable information.

Retail merchants heartily support the movement on the part of the



wholesalers for co-operation in credit matters; they recognize the protection afforded them by such a system against unfair competition resulting from undue credit. The retailers also realize the benefits which will follow their co-operating in the matter of credits.

During the past year a number of associations have been organized by retailers, the principal object being the exchange of credit information. It has been found that such co-operation among business men not only saves dollars, but helps to raise the tone of trade, broadening the view of each merchant and improving his attitude towards his fellowmen.

Believing that the National Association of Credit Men should continue to support and encourage credit co-operation, the following resolution is offered:

WHEREAS, Fully realizing the benefits to be derived by the members of the National Association of Credit Men and by the entire business community through the free exchange of credit information; therefore, be it

*Resolved*, That the National Association of Credit Men in convention assembled, again places its approval upon and urges the extension of co-operation in the exchange of credit information; and be it further

*Resolved*, That to continue the stimulation of this movement the President appoint a special committee, consisting of five members, to be known as the Committee on Credit Co-operation.

MARCUS M. MARKS,  
*Chairman.*

President—The report is before the Convention. The Secretary will read the resolution offered by the Committee, as found on page 36 of the program.

Secretary—The resolution reads as follows:

"WHEREAS, Fully realizing the benefits to be derived by the members of the National Association of Credit Men and by the entire business community through the free exchange of credit information; therefore, be it

*Resolved*, That the National Association of Credit Men, in Convention assembled, again places its approval upon and urges the extension of co-operation in the exchange of credit information; and be it further

*Resolved*, That to continue the stimulation of this movement, the President appoint a special committee, consisting of five members, to be known as the Committee on Credit Co-operation."

Unanimously adopted.

President—We will now listen to the report of the Special Committee on Fire Insurance. Before this report is read by Mr. J. L. Powell I desire to announce that Mr. Lee M. Hutchins, of Grand Rapids, Michigan, Chairman of the Committee, was seriously ill for some months and was unable, therefore, to prepare a report. Mr. Powell, of Columbus, a member of the Committee, has prepared the report, and desires me to tender you his apologies for not having prepared a better report, although I think no apology is necessary, and that the report is a thoroughly good one.

Mr. Powell then read the following report:

#### **Report of Special Committee on Fire Insurance.**

*To the President and Members of the National Association of Credit Men:*

The Committee on Fire Insurance matters presents the following report as to the questions considered by it. The committee regrets to

state that owing to the serious illness for several months of Mr. Lee M. Hutchins, the chairman of the committee, certain important work which it would have undertaken to perform had to be deferred.

The committee assumes that the motion which prompted its creation was the desire on the part of the Association to encourage the carrying of fire insurance, and where insurance was not used to exercise its influence to induce such use.

That all merchants should avail themselves of adequate protection against loss by fire is not open to question. That many fail to do so is a matter of common knowledge.

How best to prevail on them to purchase this protection is the principal feature of the work to which the attention of your committee has been given.

The Association originally planned to meet the failure of merchants to carry fire insurance by providing that whenever members found that their customers or prospective customers were without adequate insurance the names of such parties were to be reported to the National Office, from whence literature would be issued setting forth the desirability of every merchant using fire insurance.

This plan was modified at the St. Louis Convention in 1903 by shifting the detail work from the National to the local Association. This change failed to accomplish the desired result, which fact has led your committee to give much thought to a plan the development of which, it is hoped, will produce the object aimed at.

Experience has shown that a communication on this subject, sent by a prospective creditor, unless one very well known to the merchant addressed, invariably brings about a cancellation of the order under consideration, that is in case a reply of any nature is made.

It is, therefore, the opinion of your committee that all communications on this subject should be sent from the Central Office of the National Association. It is suggested further that the Secretary-Treasurer have prepared and furnish each member of the Association with a card which can find a place on the credit man's desk, reminding him of the fact that the National Office desires the names of all customers present or prospective, known to be without adequate fire insurance. In the judgment of your committee it would be possible for the National Office to install without much expense a card system showing the names of those reported, the nature of the letters or literature forwarded to them, and on what dates, as well as the results secured, if any.

It is the opinion of your committee that such communication be either typewritten or printed in imitation of typewriting.

In the event of a merchant's failure to respond to, say a third communication, a request for information should be made of a local fire insurance agent, whose name can readily be found in a directory published annually by the Spectator Company, of New York City, and furnished for a nominal cost. In case the name of no agent is given at the location of the party under consideration, one in the nearest banking town can be found by using the "Accessible Point" list of any of the standard banking directories.

The question of the expense involved in these suggestions is one which is not easily determined as it is impossible to estimate the amount of labor or material necessary if it should be deemed expedient to adopt this course; it is possible that a working agreement of some nature might be entered into by the Association with the National Association of Fire Insurance Agents or the National Board of Fire Underwriters, both of which, it is understood, maintain headquarters in New York City.

It is suggested the co-operation of the Secretary of the local association be requested whenever it becomes necessary to call on local insurance agents for assistance.

The Business Literature Committee could lend valuable assistance to the proposed plan by having articles prepared on this subject, and securing their publication in the different trade papers having the largest circulation among the retailers of the country.

The publishers would undoubtedly be glad to co-operate with the Association in such matters.

It is suggested that the National Legislative Committee co-operate with the local legislative committees in endeavoring to prevent so-called "Wild Cat" insurance companies from doing business in the several States and Territories.

It is considered that the mercantile agencies can and should give more information on the subject of fire insurance than has been their custom. With this in view, your committee offers the following resolution adopted some time since by the Columbus branch of the National Association of Credit Men:

*Resolved*, That the mercantile agencies are urged to embody in their reports a statement, not only of the amount of fire insurance carried, but also the names of the companies issuing the policies held by all persons and firms whose ratings and reports are furnished to their subscribers.

As closely related to the foregoing your committee offers the following resolution:

*Resolved*, That in compiling reports on merchants from whom they have received no statement, the mercantile agencies make an effort to at least secure information either from the dealer himself or from a local fire insurance agent as to the amount of insurance carried.

Respectfully submitted,

LEE M. HUTCHINS, *Chairman*.

R. A. PORTER,

J. L. POWELL,

R. O. MCBRIDE,

GEO. W. SCOTT,

F. T. CARTWRIGHT,

H. M. POWELL, *for the Chairman,*  
*Committee.*

At the conclusion of his report Mr. Powell said: Since preparing this report, I have learned that the National Board of Fire Underwriters is located in New York City, the President of which board is Mr. J. H. Washburn, who is Chairman of the Home Fire Insurance Company, and that the National Association of Local Fire Insurance Agents maintains offices in Boston, at No. 159 Devonshire Street, and that Mr. Henry H. Putnam is the Secretary.

President—The Secretary will read the first resolution offered by the Committee, and found on page 38 of the program.

Secretary—The resolution referred to is as follows:

*"Resolved*, That the mercantile agencies are urged to embody in their reports a statement not only of the amount of fire insurance carried, but also the names of the companies issuing the policies held by all persons and firms whose ratings and reports are furnished to their subscribers."

Mr. Burt, of Buffalo—A part of that resolution, I think, is all right; but the latter part, it seems to me, is unnecessary and perhaps unwise.

The average report you will secure from a mercantile agency is hardly ever younger than six months, and most of them are from twelve to twenty-four months old. Those of you who carry fire insurance realize how often your policies are being changed. Under this resolution it will be impossible for a mercantile agency to keep an up-to-date file, giving the names of the insurance companies and the amount of their policies. I think it would be better if an amendment were added, something to this effect, giving the amount of insurance carried, and that they agree to carry a like amount continuously.

President—Dictate the amendment to the stenographer as you want it.

Mr. Burt—I would offer as an amendment that the mercantile agencies are urged to embody in their reports a statement of the amount of fire insurance carried, and also an agreement on the part of the insured to carry continuously a like amount.

Mr. Powell—Our idea in asking the agencies to endeavor to get the names of the companies issuing the policies was, if possible, to co-operate with the assured in seeing that he was properly protected. There are a good many who buy what they think is protection, but when it comes time to cash in they find they have nothing. Of course, this would obtain only in the case of a small merchant in an outlying district.

There are many small merchants who are honest in their belief that they are carrying ample fire insurance protection, but when they make a loss they find they have nothing. This is generally on account of the lax insurance laws of some of the States. It would not be a difficult matter to investigate the standing of all fire insurance companies, and it might be that in going over agency reports we would find the name of a company whom we knew to be irresponsible. It would then be within the province of the credit man to give the merchant the benefit of his knowledge.

Amendment seconded.

Mr. C. S. Dickey, of St. Joseph—I think we are in hearty accord with any movement that will induce more vigilance on the part of the mercantile agencies. I feel at the same time that they are not educational institutions, and that it is the function of the National Association to educate and assist the local Associations in the education of our customers as to the character of insurance they should carry.

I move that this resolution and its amendment be tabled.

Seconded and carried.

President—The Secretary will read the second resolution.

Secretary—The resolution reads as follows:

*"Resolved*, That in compiling reports on merchants from whom they have received no statement, the mercantile agencies make an effort to at least secure information either from the dealer himself or from a local fire insurance agent as to the amount of insurance carried."

Adopted.

President—Now, gentlemen, the subject of fire insurance is open for discussion.

Mr. Krauthoff—In the address of the President at the opening of this Convention several matters of legislation with respect to fire insurance were outlined, and I desire to move that that portion of the President's address which bears upon the question of insurance be referred to the Standing Committee on Legislation, with directions to consider the matters therein suggested, and to carry them into effect so far as practicable, and as they may deem best.

Seconded and unanimously carried.



Mr. Krauthoff—This Committee on Fire Insurance is a special committee which is the outgrowth of last year's work, and unless it is renewed the committee will cease to exist. The question of fire insurance is of great importance, and I therefore move that the incoming president appoint a Committee on Fire Insurance to report at the next Convention matters germane to that subject.

President—Not restricting the powers of the Committee, as was the case last year.

Mr. Krauthoff—That is correct.

Motion seconded and unanimously carried.

Mr. Bannin—Is the next order of business nominations?

President—Yes.

Mr. Bannin—Then I move that a recess of ten minutes be taken.

Seconded and unanimously carried.

Meeting called to order at end of recess by the President.

President—Mr. Apperson has an announcement to make.

Mr. Apperson—I beg to say that this afternoon we propose to give you an entertainment at the Memphis Driving Park. This Park has undoubtedly the fastest mile track in the world to-day for trotting or pacing animals. The street cars will leave the hotel at 4.30. The grounds are free to you all, and you will see some good amateur events. Make yourselves at home in the club-house and on the grand stand.

This will conclude the entertainment provided for you by the Memphis Association, which we trust has been enjoyed by each and every one. (Voices: "it has, it has!" and great applause.) So far as the weather is concerned, Denver says it is simply delightful. (Continued Applause.)

President—The next order of business will be the nomination and election of a President.

Mr. W. A. Prendergast, of New York—Mr. President, ladies and gentlemen of the Convention:

In view of the great consideration which you accorded me this morning, I assure you that it is only the imposition of a duty I regard as imperative, coming to me in the form of a command from the delegation of which I have the honor to be a member, which compels me again to trespass upon your patience and good nature.

Eight years ago, at the invitation of the delegation from New York to the Kansas City Convention, I went to that gathering prepared to place in nomination a candidate for the office of President of this Association. When the time for nomination arrived, owing to those intricate, undefinable, misunderstandable influences and tactics that sometimes operate to control a convention, and in which I am an entire novice (great laughter), (but in respect to my ineptitude, I promise you I shall endeavor to overcome it as the years roll by), the speech I intended to make in that Convention was not delivered. It failed of delivery because, at the psychological moment, the gentleman who was the opposition candidate to him whom I was to name, ascended the rostrum, placed in nomination Mr. James G. Cannon and thereby prevented the rendition of my speech.

Gentlemen, a well-known speaker has said that there is nothing so indigestible as an undelivered speech. For eight years I have wandered around suffering from oratorical indigestion, and this, my friends, is to be the hour of my relief. (Laughter and applause.)

The delegation from New York, Mr. President and gentlemen, has authorized me to present on its behalf the name of a candidate for the high office of President. I say the high office of President advisedly, be-

cause it is a high and honorable position in every sense of the word. It is a position to which any man in a commercial, or indeed, in any other walk of life, might well aspire. It opens to him who occupies it avenues for the improvement of business affairs. It offers to him opportunities of demonstrating his worth as a citizen and as a disciple of commerce that few other positions could afford him.

Mr. President, the gentleman whom I am about to name is one who has fought his way from the lowest ranks of this organization. He is one, I may say, who has always been willing to carry the flag and do the hard detail work; a man who has always been willing, when his Association called on him, to serve it in any capacity that it might elect; and that, my friends, is to my mind the character of man who should be placed in the position of highest honor in this organization. Reward for him who deserves it, commendation for him who earns it, honor to him who merits it!

There is a peculiar fitness, it seems to me, in the nomination that I am about to make. We are assembled in a Southern city; we have heard much of the greatness of the South. At the Banquet last night we heard her story told and dilated upon in words that did not speak extravagantly of her worth and her greatness. As Congressman Patterson said, we are here to greet a resurrected South, a South that has risen from the ashes of war's destruction, and which is now looked upon as one of the great industrial elements of this splendid nation. (Great applause.) It is because we are a peace-loving people, because in our national life we now exemplify the saying that he who loveth his brother abideth in peace, that the capital city of the United States has been chosen as the seat of peace negotiations between Japan and Russia.

The North and East come to you to-day surrounded by the full bloom of your Southern influences and teachings and say that we are about to offer you another and a new demonstration of the solidarity of interests that underlie our national life.

New England, my friends, and the South, were early associates. They worked together valiantly for the upbuilding of this nation, and he whom I am about to name is a member of one of the most distinguished families New England has ever produced. In offering him to you I wish to say that as his family has handsomely contributed to the good deeds, the sentiment and the glory of our country, so will he contribute to the advancement, prestige and honor of this organization.

Mr. President, and Gentlemen, with a pleasure that I do not attempt to conceal, speaking on behalf, I believe, not only of the New York delegation, but a great interest in this Convention, in the words of the inspired orator, I present to you a candidate "whose name is entwined with victory," O. G. Fessenden, of New York. (Great applause.)

Mr. Robbins, of Cleveland—Mr. President, Ladies and Gentlemen: Ohio is the State that usually sends the President to Washington, but we have never sent one to New York. Ohio has four strong Associations and delegations: Cincinnati, Columbus, Youngstown and Cleveland. We are all represented on the floor. Last year our friends from Pittsburgh took the banner for membership increase, 75 per cent., with Columbus and Cleveland 50 per cent. So we are down here strong! We mention this because we want our strength to count for Mr. Fessenden. (Applause.)

Ohio seconds the nomination of Mr. Fessenden. We have known him in these Conventions for seven years. We do not know about his personal or business life, but we are satisfied that what Mr. Prendergast says is true, and it is with great pleasure that Ohio endorses the nomination with great pleasure in seconding the nomination of Mr. Fessenden.

Mr. Salisbury, of Minneapolis—Mr. President and Gentlemen: On behalf of Associations from the entire Northwest, I take great pleasure in seconding the nomination of Mr. Fessenden.

Mr. Eisen, of Milwaukee—On behalf of the Milwaukee delegation and the Associations in the State of Wisconsin, I take great pleasure in seconding the nomination of Mr. Fessenden.

Mr. Duffey, of Louisville—Kentucky, the State that belongs to both the South and the North, the only State in the Union where the blue and the gray march side by side in business and pleasure every day in the year, now takes her hat off to New York and seconds the nomination of Mr. Fessenden.

Mr. Preston, of Los Angeles—The Pacific Coast, through its great State of California, would second the nomination of Mr. Fessenden.

Mr. Bailey, of Memphis—We have heard from only one Southern City thus far, but I am sure that you will hear from them all. Of course as Nashville is represented here by a delegation, I can only speak for this end of the grand old volunteer State, and I want to say on behalf of the Memphis Association, that it gives me very great pleasure to second the nomination of Mr. Fessenden.

Mr. Beane, of Atlanta—In behalf of the Empire State, not of the New South but of the rehabilitated Old South, I desire to second the nomination of Mr. Fessenden.

Mr. Callis, of Denver—Denver takes great pleasure in seconding the nomination of Mr. Fessenden.

Mr. Smith, of Chicago—Chicago takes great pleasure in seconding the nomination of Mr. Fessenden.

Mr. Given, of Pittsburgh—Pittsburgh desires to second the nomination of Mr. Fessenden.

Mr. Nance, of Nashville—On behalf of the Association of Nashville I desire to second the nomination of Mr. Fessenden.

Mr. Dickey, of St. Joseph—On behalf of the Associations of the State of Missouri, the great State within whose borders all the products and industries of this country are found, I desire to second the nomination of Mr. Fessenden.

Mr. Fletcher, of Chattanooga—Inasmuch as the gentleman from Memphis has not included Chattanooga in his seconding remarks, I desire to second the nomination of Mr. Fessenden.

Mr. Evans, of Philadelphia—Philadelphia has now had time to get into the push, and heartily seconds the nomination of Mr. Fessenden; and as we seem to be all of one mind, to save time I move that the nomination be made unanimous.

Seconded.

Mr. Sheffey—In behalf of old Virginia, the cradle of liberty, I second the nomination of Mr. Fessenden.

Mr. Hanlon, of St. Louis—On behalf of St. Louis, which represents the world, I desire to second the nomination of Mr. Fessenden.

Mr. Evans—Motion carried.

A motion was made, seconded and unanimously carried, that the rules be suspended, and that Mr. Fessenden be unanimously elected President of the Association, and that the Secretary cast the unanimous ballot of the Association for him.

So done.

President—The next order of business will be the nomination of candidates for Vice-president.

Mr. Tregoe, of Baltimore—Mr. President, Ladies and Gentlemen: If you will permit me to be just a little serious for a few minutes, I

want first to correct the comment made so generously by one of the Memphis papers that your servant, my humble self, was the orator extraordinary of the Association, and have you agree with me that that personage has been heard from twice this morning. (Applause.)

I do not know whether you believe in prophecy, but I believe very largely in it. There came to me this thought seven years ago at the Convention in Buffalo, N. Y. I was called upon to respond to the addresses of welcome. I performed that function for this Convention. The divine cycle of seven years has passed, and I feel that it is almost a prophecy that I perhaps will have to pass out. We must recognize that our places cannot be occupied eternally; new blood and new spirit are being enlisted for this Association; we must make way for it; we must train our young men in the principles of this Association and give them the responsibility.

I adjure you, as one who loves this work in every part of its history, never in the selection of your officers let politics play any part. (Applause.) Sometime we older men, knowing so much about the different phases of the work, are consulted, and I am sorry to say that sometimes that interest is misconstrued. I have felt myself the plunge of that little dagger point, but I can only leave it to time to demonstrate that whatever I have done for this Association has been done for the love of it. (Great applause.)

Now, gentlemen, if when we came here we had aspirations and may go home disappointed, remember there is a place for all of us. No man is going to take a position and sit upon it. I believe in rotation in office, and quick rotation. We have brains and brawn among us, and we must see it develop and take its place, and we want to see it.

It is my pleasure in presenting a gentleman for the office of Vice-president, simply to call attention to his excellent qualifications for the office, and it is not necessary for me to enumerate them, as they are all so well known to you; and I will, therefore, indulge in no lofty oratorical flights descriptive of his natural characteristics—as well take a picture of Raphael, with all its delicate coloring and write above it, "This is a beautiful picture." I can only say in the divine words in presenting him, "Ecce homo!" behold the man, and I present with the deepest pleasure—may I say, the child that has come to us and been with us since we met in Louisville, Mr. Frank M. Gettys. (Great applause.)

Mr. Evans, of Philadelphia—Philadelphia gets there first sometimes, and, Mr. President, it affords me, on behalf of the Philadelphia delegation more than pleasure to second the nomination of Mr. Gettys. While I have friends, many of them, in the Convention from other States, some possibly who are as well qualified to fill the office as he, at the same time, if it is possible to get Mr. Gettys to accept the nomination, and we know it is on this occasion, there is no man whom we would prefer to see made Vice-president of this Association. He is a man and a true friend to this Association.

Mr. Apperson, of Memphis—Mr. Chairman and Gentlemen of the Convention: Coming from the little village located on the little creek, it gives us a great deal of pleasure to second the nomination of the gentleman from Kentucky. But he is not a Kentuckian, and we claim him, for he was born in East Tennessee. (Applause.) He moved into Kentucky to get more elbow room. Gentlemen, on behalf of Memphis I desire to say that we have a fraternal feeling for Mr. Gettys because he belongs to the same lodge that we do, and the password is, "What's yours?" (Laughter and applause.)

Mr. McCord, of Georgia—It is my pleasure to second this nomi-



nation. Mr. Gettys was at one time a resident of our State, and we are proud of it.

Mr. H. T. Smith, of Illinois—I desire to second the nomination of Mr. Gettys.

Mr. Seeley, of Detroit—On behalf of Detroit, the City of the Straits, and the great State of Michigan, it gives me great pleasure to second the nomination of Mr. Gettys.

Mr. Bannin, of New York—The New York delegation wishes to record her high appreciation of the man who has served as Vice-president for the past year, and heartily seconds the nomination of Mr. Gettys, the Kentucky-Tennessean or Tennesse-Kentuckian—both States claim him and are proud of him.

Mr. Kennard, of Lincoln—Nebraska seconds the nomination of Mr. Gettys.

Mr. H. M. Battin, of Milwaukee—The great State of Wisconsin, the Badger State, desires to second the nomination of Mr. Gettys.

Mr. Watson, of Columbus—On behalf of the Columbus Association, to which I belong and to which Mr. Gettys has shown many favors, I desire to second the nomination of Mr. Gettys.

Mr. Nance, of Nashville—Nashville desires to second the nomination of her son-in-law, Mr. Frank M. Gettys. (Laughter.)

Mr. Foster, of Denver—The great State of Colorado desires to say that we believe Mr. Gettys is the best man we can find, the only man that we can find, and I believe we should suspend the rules and make his nomination unanimous.

Mr. Matchett, of Cleveland—Cleveland desires to second the nomination of Mr. Gettys.

Mr. Silberberg, of Cincinnati—On behalf of the Cincinnati delegation, I desire to second the nomination of Mr. Gettys for Vice-President.

Mr. Bird, of Boston—A wireless message from the top of Bunker Hill Monument instructs us to second the nomination of Mr. Gettys.

Motion was made, seconded and unanimously carried that the rules be suspended, that Mr. Gettys be declared the sole nominee of the Convention for the office of Vice-President.

Motion made, seconded and unanimously carried that the rules be suspended, that Mr. Gettys be elected Vice-President of the Association, and that the Secretary be instructed to cast the ballot of the Association for him.

So done by rising vote, and ballot so cast.

President—The next order of business is election of Directors. The Nominating Committee has placed in nomination the following:

Charles G. Rapp, of Philadelphia.  
Henry T. Smith, of Chicago.  
C. D. Maclaren, of St. Paul.  
Lee M. Hutchins, of Grand Rapids.  
W. G. Seeley, Jr., of Detroit.  
Frank Simpson, of Los Angeles.  
George G. Ford, of Rochester.

I will appoint as tellers Messrs. Huggins, of Columbus; Borges, of Chicago, and Maxwell, of Baltimore.

The retiring Directors are Mr. W. A. Given, Mr. Gustav Brenner and Mr. Edwin Sherman.

Mr. Apperson—If I understand, this is merely a suggestion from the Nominating Committee.

President—No, it is not. These are the only nominations that can be

voted for. That is under the By-Laws. While the tellers are preparing the ballots I would ask the Chairman of each of the delegations to prepare themselves to announce the appointments of State Vice-Presidents.

The ballot was then taken.

President—These ballots will be counted by the tellers and the result posted on the bulletin in the hotel office. The three receiving the highest number of votes will be declared elected Directors.

#### REPORT OF THE TELLERS.

We hereby certify that having canvassed the vote cast for Directors of the National Association of Credit Men, we find that C. D. Maclaren, St. Paul; C. G. Rapp, Philadelphia; H. T. Smith, Chicago; received the highest number of votes and are therefore duly elected as Directors of the National Association of Credit Men for a term of three years each.

(Signed)

F. E. Huggins.

B. E. Borges.

O. D. Maxwell.

The announcement of the appointment of State Vice-Presidents was made as follows:

Alabama—R. A. Porter, Birmingham.  
Arkansas—C. W. Linthicum, Fort Smith.  
California—Eugene Elkus, San Francisco.  
Colorado—J. T. Plummer, Denver.  
Connecticut—J. R. Sprott, Bridgeport.  
Delaware—John R. Hudson, Wilmington.  
Florida—Geo. Fuchs, Tampa.  
Georgia—J. A. McCord, Atlanta.  
Illinois—L. J. Kadeski, Quincy.  
Indiana—Henry A. Jeffries, Indianapolis.  
Iowa—R. O. Green, Fort Dodge.  
Indian Territory—C. W. Turner, Muskogee.  
Kansas—Charles Knorr, Wichita.  
Kentucky—C. W. Chambers, Louisville.  
Louisiana—A. H. Kaiser, New Orleans.  
Maine—Geo. F. Pitt, Portland.  
Maryland—W. J. H. Waters, Baltimore.  
Massachusetts—E. W. Harding, Boston.  
Michigan—H. C. Cornelius, Grand Rapids.  
Minnesota—F. W. Parsons, Duluth.  
Mississippi—H. M. Threefoot, Meridian.  
Missouri—J. L. Powell, Kansas City.  
Nebraska—E. E. Bennett, Lincoln.  
New Hampshire—O. D. Knox, Manchester.  
New Jersey—J. A. Campbell, Trenton.  
New Mexico—C. C. Robbins, Las Vegas.  
New York—E. E. Huber, New York City.  
North Carolina—W. G. Bradshaw, High Point.  
Ohio—F. G. King, Youngstown.  
Oklahoma Territory—Oscar H. Dietz, Oklahoma City.  
Oregon—W. L. Abrams, Portland.  
Pennsylvania—Thomas H. Shepherd, Pittsburgh.  
Rhode Island—Edw. A. Stevens, Woonsocket.  
South Carolina—H. D. Lubs, Charleston.

South Dakota—Wm. Koenig, Jr., Sioux Falls.  
Tennessee, John W. Bailey, Memphis.  
Texas—A. P. Foute, Fort Worth.  
Virginia—E. F. Sheffey, Lynchburg.  
Vermont—Geo. M. Besett, Burlington.  
Washington—F. W. Baker, Seattle.  
West Virginia—F. T. Cartwright, Moundsville.  
Wisconsin—W. W. Wallis, Milwaukee.

President—We will now select a place for holding the next Convention.

Mr. Preston, of Los Angeles—Inasmuch as the polished speaker who was to present the name of Los Angeles as the location of your next Convention is not able to be present, the duty has therefore devolved upon me.

I desire to present the following invitations:

"STATE OF CALIFORNIA, EXECUTIVE DEPARTMENT, SACRAMENTO.

JUNE 3, 1905.

To the National Association of Credit Men, Memphis, Tenn.

Gentlemen:

It affords me much pleasure, speaking on behalf of the people of the State of California, to endorse the invitation which the City of Los Angeles will give for the holding of the next Convention of the National Association of Credit Men in that progressive town. I guarantee a cordial welcome and most bountiful hospitality if this invitation shall be accepted. The City of Los Angeles, which has entertained many National gatherings, is able to afford accommodations for the largest assemblage, and I have never heard that the delegates to any convention of association meeting there have gone away with anything but words of praise for the courtesies and hospitality extended to them.

It will be gratifying to the people of the entire State if your Association shall decide to visit California at the time of its next annual gathering.

Very truly yours,

GEO. C. PARDEE,

Governor of California.

Los Angeles, California, June 8, 1905.

National Association of Credit Men,

Annual Convention No. 10, of 1905, Memphis, Tenn.

GENTLEMEN:—I take pleasure, in behalf of the City of Los Angeles, in extending to your Association a most cordial invitation to hold your Annual Convention, No. 11, in this city in 1906.

You will find "the latchstring out" should you decide to come to our city, and will guarantee the usual warm Western hospitality.

Trusting that we may be favored with your Convention at the date decided upon, and with best wishes, I am,

Very respectfully,

OWEN McALEER, Mayor.

LOS ANGELES CHAMBER OF COMMERCE.

Los Angeles, Cal., June 2, 1905

National Association of Credit Men, in Convention Assembled,  
Memphis, Tenn.

GENTLEMEN:—By unanimous resolution of our Board of Directors, I was instructed to convey to you a most cordial invitation from the Los Angeles Chamber of Commerce to hold your next Annual Convention in this city. We assure you that you will receive a warm welcome from the people of Los Angeles and that you will find here a thoroughly, modern, hustling city of over 200,000 people and the best accommodations in the way of hotels and halls.

In addition to this we will agree to furnish you the finest climate that can be produced.

Trusting that we shall have the pleasure of welcoming you to our city in June, 1906, I remain

Very truly yours,

H. B. GURLEY,  
Acting Secretary.

LOS ANGELES BOARD OF TRADE,

LOS ANGELES, June 1, 1905.

National Association of Credit Men, Memphis, Tenn.

Gentlemen:

In the name of the Los Angeles Board of Trade we beg to extend to you a cordial invitation to hold your next Convention at Los Angeles, Cal., and if you decide to visit this city at that time we assure you a hearty welcome. The business men of Los Angeles will esteem it a privilege to extend to your members every possible courtesy and attention.

We have the honor to remain,

Very respectfully yours,

H. J. WOOLACOTT,  
President.

GREGORY PERKINS, JR.,  
Secretary.

"LOS ANGELES, June 5, 1905.

The Wholesalers' Board of Trade of Los Angeles, California, desires through its President and Secretary to extend to the National Association of Credit Men an earnest invitation to meet in Los Angeles on the occasion of their annual gathering in June, 1906.

Should your honorable body favor us with your presence at that time we assure you that nothing will be left undone in the way of extending you a cordial welcome and a good time.

Most sincerely yours,

V. H. TUTTLE,  
President.

To the National Association of Credit Men, Memphis, Tenn.



"LOS ANGELES, June, 1905.

National Association of Credit Men in Convention Assembled.

Gentlemen:

The Associated Jobbers of Los Angeles, an organization containing a majority of the principal wholesale manufacturing houses of Los Angeles and vicinity respectfully urges upon your honorable body the wisdom of appointing this city as the place of meeting for your next annual Convention.

Los Angeles, as you are probably aware, has often been favored as a meeting place by conventions and gatherings of all kinds, and is well accustomed to entertain great numbers of visitors. We think the trip would have many pleasant features for your people, and we can assure you of a hearty welcome in this city.

Very respectfully yours,

M. H. NEWMARK,  
President.

LOS ANGELES, CAL., June 8, 1905.

National Credit Men's Association, Memphis, Tenn.:

Gentlemen: The Merchants' and Manufacturers' Association of Los Angeles, comprising the commercial, industrial and financial interests of this city, beg to extend to you a hearty and cordial invitation to hold your Annual Convention in 1906 in this city. We feel justified in presenting our invitation with the assurance that we will entertain you in a manner that cannot be excelled in any other city in the United States. The "Land of Sunshine and Flowers" offers many attractions that are not equalled anywhere else, and our reputation as a convention city has been too thoroughly established, as the many orders and societies we have entertained here in the last few years will testify, to need further comment. You will find in no other part of the United States as loyal and hospitable hosts as the Los Angeles people, and we cannot too earnestly ask you to act favorably upon our invitation, and honor us with your presence in this city in June, 1906.

By order of the Board.

Very truly yours,

F. J. ZEEHANDELAAR,  
Secretary.

I have some reputation at stake, and I want to say to you, gentlemen, that every guarantee that has been given I am willing to stake my reputation will be carried out if our invitation is accepted. As we went through the cars yesterday we distributed a little souvenir characteristic of the State, and I heard but one voice, and that was, "we want to go to Los Angeles." All we want is your vote. Every lady who has visited this Convention has said, "Oh, do get the Convention for Los Angeles." If your wives at home only knew the situation, you delegates who are here alone would be overwhelmed with telegrams urging you to vote for Los Angeles.

We are in a position to entertain the largest conventions, and I predict that when the National Association of Credit Men does come to Los Angeles for its meeting, it will come with the largest attendance in the history of the organization, because that has been our experience when

we have entertained large national associations. We expect the Shriners to meet there just about the time of your Convention.

We are able at this time to say to you that we can offer one fare for the round trip, and possibly better, the most beautiful trip in the world, the handsomest city in the country, and the most magnificent climate known.

As I said, gentlemen, it only takes your vote, and we will do the rest. I know that eloquent speakers are to follow me, presenting the names of other cities. We met last year in New York City, and now I have heard that we are going to be invited to meet in a suburb of New York. Of course, you will want to stop at Denver on your way to Los Angeles and meet those grand fellows there, and then come on to the coast. We are in favor of that.

Gentlemen, we ask you to weigh the matter carefully, confident that when you have done so you will vote for Los Angeles. (Applause.)

Mr. Tregoe, of Baltimore—This is my valedictory. In coming before you heretofore I have usually asked something for somebody else, but this time I shall ask something for myself. Our friend from Los Angeles has referred insidiously to Baltimore as a suburb of New York, but I want to say that after meeting the ladies of New York, we are glad to be classed as a suburb of that City. (Applause.)

On the morning of February 8, 1904, the business people of Baltimore faced one of the most serious problems that had ever confronted their commercial history. Blocks and blocks of business houses had been swept away by fire. Our oldest firms and our oldest men stood appalled, not knowing where they should go or what they should do, their stocks and books being entirely destroyed. Offers of assistance came to our Executive from almost every city of this great country, but he replied: "We are able to take care of ourselves, though we thank you much." And we did take care of ourselves.

And, gentlemen, I want to tell you something in a spirit of confidence, that when we trembled for weeks, when we did not know where to turn, when our Governor declared a bank holiday of two weeks that men might arrange to protect their commercial paper: it was then that the Credit Men's Association of Baltimore sprang into the breach and said, "Let us take heart!" And from that moment we had a new city, and we called it "The Phoenix City."

Our Association has always played a considerable part in municipal affairs; we have always demonstrated to our people that we were not entirely shop workers; that whatever affected Baltimore affected us, and we are recognized now as one of its most important commercial factors. (Applause.)

Gentlemen, I don't want to tire you, but I wish to present invitations from the Credit Men's Association of Baltimore, from the Mayor of Baltimore, and from the Merchants' and Manufacturers' Association; and further to say that President Roosevelt will deliver the address of welcome.

We decided to invite you to come to Baltimore in 1906, not that we wanted to deprive any other city of that great honor and pleasure, because under ordinary circumstances we would defer even to the Pacific Coast and say we would take that caravan journey, starting some day and getting there some time (applause and laughter); but we put our appeal to you in this way: that under the circumstances, whilst we are very busy, rearing new houses and getting into new buildings, our people have said with one voice, that they want you to visit Baltimore next year; and that visit will mean more to Baltimore and her people than any visit you can make in the next century.

Mr. Apperson—How about the weather?

Mr. Tregoe—I am not going to make any promises, but I have always found that Providence in some way seems to treat Baltimore right. (Laughter.)

We witnessed last night the waving of the starry flag. Why, we Baltimoreans in a short ride can go to that spot where is reared the flagpole on which was hoisted the banner that inspired our national anthem; and, indeed, it is our city that gave birth to that hymn, and our little State of Maryland that has given our country two out of three of its national songs.

Now, gentlemen, we will do our best if you will come. We will take care of you, and we hope that you will accept our invitation unan-  
imously. (Great applause.)

Mr. Tregoe presented the following correspondence:

MERCHANTS' AND MANUFACTURERS' ASSOCIATION,

BALTIMORE, June 9, 1905.

To the President and Members of the National Association of Credit Men,  
assembled in Memphis, Tennessee:

Dears Sirs—On behalf of the business interests of Baltimore, which are largely represented by the membership of the Merchants' and Manufacturers' Association, we desire to tender the National Association of Credit Men an invitation to hold its meeting in 1906 in our city.

It is with especial pleasure that this Association unites with the Baltimore Association of Credit Men in the hope that the widespread reputation of Baltimore for cordial hospitality may induce you to favor this city in the selection of a place for your next annual meeting.

Baltimore is well located to afford those who attend the Convention many opportunities to meet business friends and correspondents from other Eastern centers, as well as to visit the national capital and various seashore resorts.

We can assure you that no effort will be spared on the part of our city to make your visit agreeable, and one that will be long remembered.

Very truly yours,

E. STANLEY GARY,  
President.

C. H. FORREST,  
Secretary.

MAYOR'S OFFICE,

BALTIMORE, MD., 6-2-05.

To the National Credit Men's Association, in Convention at Memphis,  
Tenn.:

Gentlemen—On behalf of the citizens of Baltimore I beg to extend to you a most cordial invitation to hold your Annual Convention of 1906 in our city.

Our experience with the several conventions which have been held here in recent years warrants me in saying that you will find Baltimore well adapted to such a gathering as your Convention promises to be; and if you decide to hold your Convention here, I can assure you of a most cordial welcome.

Very truly yours,

E. CLAY TIMANUS,  
Mayor.

*(Telegram to Mr. Tregoe.)*

"Baltimore, June 14, 1905.—Committee on Speakers have seen President Roosevelt. He will deliver the address of welcome to the delegates at the Convention in Baltimore in 1906. ROSENAUR."

Mr. Foster, of Denver—Mr. President: The President of this grand country, Mr. Theodore Roosevelt, God bless him (great applause), always comes out to Colorado to spend his vacations. Out in Colorado in the winter time we go in our shirt sleeves; in the summer time we sleep under blankets. (Laughter.) After partaking of the delightful hospitality of Memphis, one naturally asks himself the question, Why ever leave so charming a place? I was born in Tennessee, and can answer for myself that the reason I left was because my relatives refused longer to feed me unless I would work (laughter); and I am free to say that I found it much easier to emigrate than to work, and therefore I went to Colorado. (Great laughter.)

Denver is a beautiful city; we have noble mountains, awful canyons, and in fact every facility in the world for entertaining a convention. We have all kinds of shooting—Mr. Roosevelt shoots bears; and some day when you honor us by coming to Denver, we will arrange it so that you shoot the chutes down Pike's Peak. (Laughter.) We will also make arrangements for free crap-shooting for those who wish to avail themselves of the opportunity.

Our delegates came down here to let you know that Denver was on the map, and incidentally to have a good time. We have succeeded in both. (Applause.) And some day we are going to invite you to come to Denver; but in the meantime, Colorado wishes to second the invitation of Baltimore. (Great applause and laughter.)

(Mr. Tregoe and Mr. Foster shook hands, and the Convention gave three cheers for Baltimore.)

Mr. Tregoe—Mr. President, I am not afraid to apologize. I thought last night that of all the mean cusses in this country, the meanest were made in Denver. I told the President of the delegation and the President of this Association the same thing. But we forgive and we forget even the jollying given an old gentleman from Baltimore. (Laughter.) The Denver delegation having come here to get all the fun out of the Convention possible, and apparently having succeeded with your humble servant, I forgive them; and I am just as true and will be just as true to Denver in the future, as it always has been my pleasure to be in the past. (Great laughter and applause.)

Mr. Borges, of Chicago—Mr. President and Gentlemen: I do not believe that Baltimore realized that they had as large a competitor or as desperate a foe as Chicago is in this field. We have not said much on the subject, because we felt that perhaps Baltimore had a prior claim on the convention, because they announced early that they wanted the convention in 1906. In Chicago we have everything that other cities have, and then more; and we want you all to come to Chicago in 1907; and in indorsing Baltimore for the Convention of 1906, it is done with the distinct understanding that all Chicago will have to do will be to send out invitations for the meeting of 1907 to be held there. We do not believe there will be any fight then, but everybody will say, "Chicago is the place." I have much pleasure in seconding Baltimore as the next convention city, and I hope we will all meet there together. (Applause.)

Mr. Burt, of Buffalo—Los Angeles tells us that the Shriners will meet in Los Angeles at the time set for the Credit Men's meeting. That ought to settle the matter, because no matter how large her boundaries,



they cannot be large enough to accommodate the Shriners and the Credit Men at the same time.

In this connection I would like to throw out a thought. We are only ten years old; we expect to live for many years to come. It will not be always possible for us to secure invitations from large cities, and it seems to me that it would be a wise provision if we should arrange to alternate between a large city and a summer resort, taking, if you please, Niagara Falls for one convention, then a large city; Atlantic City for another, then a large city, and in that way we will keep before us in the future, cities which will be able and willing to extend to us the glad hand and take good care of us. In other words, it would be well for us to see to it that we do not wear our welcome out in the large cities.

On behalf of the Queen City of the Lakes, in the Empire State, I wish to second the selection of Baltimore as the place for holding the next convention.

Mr. Bannin—Mr. Chairman, Ladies and Gentlemen: I rise with considerable diffidence, because my old friend and comrade has presented his city, Los Angeles, as a meeting place for us next year. I have served with Mr. Preston in the early stages of this Association, and for that reason I say I rise with diffidence; but as our worthy ex-President has stated here that he was pleased to be called a suburb of New York, how can New York do otherwise than second the presentation of Baltimore as the next meeting place of the convention? (Applause.)

Mr. Bailey, of Memphis—We are somewhat disappointed that Mr. Tregoe, who has such persuasive ways, has gotten up and addressed this audience, requesting that we all go to Baltimore. We had expected that you would all come back to Memphis again next year. (Laughter.)

President—We would like to.

Mr. Bailey—It would afford us very great pleasure indeed to have you with us again; but Baltimore was kind enough last year to resign in favor of Memphis, and used what efforts she could to bring this Convention here, and we want to express our appreciation of the kindness, and to return the compliment, by saying that it is the wish of the Memphis Association that the next Convention be held in Baltimore.

Mr. Battin—I move that the rules be suspended and that Baltimore be named as the place for holding the next Convention.

President—The Secretary will announce further invitations.

Secretary—We have received invitations from Put-in Bay, also from Lake Toxaway, North Carolina. We have also received a card addressed to the National Association of Credit Men from the managers of the Hotel Gallatin in New York, stating that they have just been advised that the Convention will be held in Baltimore, and as the hotel accommodations in that city are rather limited, the Hotel Gallatin offers the use of its accommodations during the three days of the Convention without charge. (Laughter.)

Mr. Apperson—I desire to offer a resolution that the Convention remain one week longer in Memphis. We cannot bear to part with you so soon. (Laughter.)

Mr. Preston—Giving you warning that Los Angeles will still open its arms to you at some later day, I move that Baltimore be made the unanimous choice of the Convention for the location of the next Convention.

Seconded, unanimously carried, and so ordered.

President—The next order of business is the selection of location of central office.

Mr. Evans—I move that the central office be retained in New York for the ensuing year.

Motion seconded and unanimously carried and so ordered.

President—The report of the Committee on Resolutions will now be presented. It will be read by Mr. Howard Marshall, of New York, the Chairman.

Mr. Marshall—The Committee on Resolutions beg to report as follows.

RESOLUTION, No. 1.—WHEREAS, The extension of our trade with other countries, the stability of our foreign commerce and the reinforcement of our Navy, are dependent upon an American mercantile marine, measurably adequate to the needs of our commerce, and

WHEREAS, Over ninety per cent. of our foreign trade is carried in foreign shipping the withdrawal of which at any time would leave the United States without means to market our surplus product, and

WHEREAS, Our neglect of our own shipping has the effect of weakening the United States upon the Sea, diverting our trade to other countries and strengthening their auxiliary naval resources, and

WHEREAS, The last Congress at its first session appointed a commission to investigate and report on the condition and needs of American shipping, which commission held public hearings in the leading sea, lake and gulf ports of the United States, and at its last session presented to Congress an admirable report accompanied by a most effective bill to carry its recommendations into effect, therefore, be it

*Resolved*, That the National Association of Credit Men, while deploing the decline and present weakness of the American shipping in the foreign trade, heartily commends the work of the merchant marine commission, and calls upon the Congress of the United States to adopt such legislation as will restore American shipping to the high seas so that new markets may be found for American products, and in order that provision may be made for the creation of an essential auxiliary arm of the National defense.

Resolution unanimously adopted.

RESOLUTION No. 2.—*Resolved*, That Paragraph 1 of Article VII of the Constitution of the National Association of Credit Men be changed so as to read as follows:

"The Annual Convention of the Association shall be held in May of each year at such place as may be decided upon at the annual Convention preceding."

Resolution unanimously adopted.

RESOLUTION No. 3.—*Resolved*, That facilities be provided so that applications may be received and filed with the Secretary-Treasurer of the National Association of Credit Men by concerns in need of credit men, and by credit men seeking employment, these records to be guarded and information given to our membership upon request.

Resolution unanimously adopted.

RESOLUTION No. 4.—*Resolved*, That the Board of Directors of the National Association of Credit Men be authorized to appoint a committee to compile a telegraphic cypher code for the use of all associated and individual members.

This code can be printed in our National list of members; each member to be given a code name and a list of questions and answers bearing upon credit questions.

This committee to devise some means to take care of the expense of compiling same.

Resolution unanimously adopted.

RESOLUTION No. 5.—*Resolved*, That our Board of Directors be authorized to appoint a committee to assist and advise with the local associations relative to the establishment and methods of investigation, adjustment and prosecution bureaus, and it is believed that it would be advantageous that such committee of three be selected from a central city.

Resolution unanimously adopted.

RESOLUTION No. 6.—*Resolved*, That the National Association of Credit Men, in Convention assembled, extend to the Honorable Theodore Roosevelt, President of the United States, a rising vote of thanks and expression of our appreciation of his noble efforts toward the promulgation of peace between Japan and Russia, and that the Secretary be authorized, upon the adoption of this resolution, to convey the same to him.

Resolution unanimously adopted.

RESOLUTION No. 7.—*Resolved*, that the Committee on Legislation of the National Association of Credit Men be requested to consider the possibility of securing legislation in the various States requiring any person who loans money or extends credit to exceed \$250 to a relative who is engaged in the mercantile or manufacturing business, and who desires to pro rate with the general creditors in the event of a failure, to file in some public office, within a reasonable time after the indebtedness is incurred, a statement of the same, giving the amount and the date when incurred.

Resolution tabled.

RESOLUTION No. 8.—*Resolved*, That the thanks of the National Association of Credit Men be extended to Mr. Malcolm Graham, Jr., of New York, and to the secretaries of the standing committees of the National Association of Credit Men for the efficient services rendered by them and their associates.

Resolution unanimously adopted.

RESOLUTION No. 9.—WHEREAS, The National Association of Credit Men has received from the Girard National Bank of Philadelphia a beautiful gavel, hewn from wood of ancient time, famous in the days of our ancestors, and,

WHEREAS, In its acceptance and use our Association is moved to a spirit of patriotic pride, therefore be it

*Resolved*, That the National Association of Credit Men, in Convention assembled, tender to the Girard National Bank of Philadelphia, Pa., its thanks for this beautiful and useful gift.

Resolution unanimously adopted.

RESOLUTION No. 10.—WHEREAS, The National Association of Credit Men at its Tenth Annual Convention, has been the recipient of most generous, cordial and unlimited hospitality at the hands of the Memphis Credit Men's Association, and,

WHEREAS, Nothing has been left undone to provide for our welfare, our comfort and our pleasure, and,

WHEREAS, Every detail of this Convention has been arranged with most signal ability on the part of the Memphis Credit Men's Association and its efficient officers, and,

WHEREAS, We recognize the untiring energy of its Secretary, Mr. J. C. James, in his manifold and difficult duties, so efficiently and courteously performed, therefore be it

*Resolved*, That the National Association of Credit Men do hereby tender to the Memphis Credit Men's Association, its officers and committees our appreciation of its courtesy and our most sincere thanks for its hospitality.

Resolution adopted by a rising vote amid great applause and three cheers for Memphis.

Mr. Burt—I would like to include the names of John W. Bailey and Mr. Apperson also.

Unanimously adopted.

RESOLUTION NO. 11.—WHEREAS, The Success of the Tenth Annual Convention of the National Association of Credit Men has been due in no small measure to the gracious presence with us of the beautiful and accomplished ladies of the City of Memphis, Tenn., and,

WHEREAS, The Association has enjoyed at their hands most charming hospitality, therefore be it

*Resolved*, That the National Association of Credit Men, in Convention assembled, does hereby present the ladies of the City of Memphis its compliments, and does hereby convey to them a deep sense of our appreciation of the warmth of welcome with which we have been received, and our grateful and sincere thanks for their presence with us, for the great pleasure it has given us to meet and to know them, and for their generous and splendid hospitality.

Governor Crittenden—I move the adoption of that resolution by a rising vote.

Motion seconded and unanimously carried.

Mr. Tregoe—I move that the thanks and appreciation of this Association be accorded to the press of Memphis for its very complete and satisfactory reports of our meeting.

Motion seconded and unanimously carried.

President—I will appoint Mr. Robbins and Mr. Hanlon a committee to escort the President-elect to the platform.

Mr. Edward F. Sheffey, of Lynchburg—Mr. President and Gentlemen of the Convention: Old Virginia, as stated a moment ago, the cradle of English civilization on the American continent, sends you greeting this morning. I trust it may not be out of place at this time to say that my good friend and fellow-worker, Mr. T. M. Terry, sends his personal regards. Many of you have met and know him, and it is because of his good will and earnest desire to be helpful to others that he is to-day at home "sitting on the lid," while his credit man is here looking you in the face.

I have not the disposition or the time to elaborate the good things old Virginia could tell of her lofty mountains, almost incomparable harbors, noble men and beautiful women, both of former days and of the present time. You know it is an open question with Virginians as to the location of the Garden of Eden. Certainly so far as the habitation of Adam and Eve is concerned you know there are a great many *first families* in Virginia. (Laughter.) But I will not emphasize their dignity and importance, for were I to do so you might feel about like Bishop A. Coke Smith, of South Carolina, who said to some young people who were boasting of their ancestry, "You remind me very much of a potato—the best of you is underground!" (Laughter.) Virginia, I assure



you, gentlemen, is not only operating *underground* systems, but many *surface lines* of activities galore, and we hope some day to have the pleasure of entertaining you upon the soil of that great state. Forgetting those things which are behind insofar as they retard the development of our best and highest interests, we are pressing toward the future, and are succeeding, which reminds me of an anecdote of a young man who was very much in love and who had been in the habit of visiting the home of his sweetheart for a number of years. That home customarily closed its doors at 10.30 P. M. Now on one occasion, after mature reflection, and after years of waiting, he concluded that he would make known to his lady-love that burning, throbbing, earnest desire that he had of making her his partner for life. 10.20 came, his heart was beating furiously, but he said nothing; 10.25 came, he edged over; 10.26, nothing happened; and just when he was telling her about it, a voice from above articulated, "Mary, is that young man there yet?" "No, Ma; but he is getting there." (Laughter.) And so it is with old Virginia, she is getting there. But to the real point of my remarks:

Those of you who were in New York at the last meeting of the National Association of Credit Men remember how our former President, Mr. Tregoe, when the time came to relinquish the gavel, called attention to the hour when he was first inducted into that office, and with what misgivings he entered upon the discharge of his duties. You remember how he portrayed, as if on a wall, pictures of the capable Presidents who had preceded him. He mentioned the pioneer, Preston; that big-hearted, big-brained man, Jas. G. Cannon, and the grand old man from Philadelphia, Mr. Field, and Young and others; and he expressed the thought that he was afraid when he entered upon the discharge of his duties, that he could not fill out the frame which had been prepared for him, and said that if success had been attained it was due to the credit men and not himself. And so, when the then incoming President, Mr. Standart, was inducted into office, he said there was a frame before him to fill, and that he too entered upon the discharge of his duties with much misgiving; but we know how faithfully he has discharged his duties, and how successfully the artists, *determination and devotion to duty*, have brought the picture to completion, until it fills the frame entire, and will remain *our Standart* during all the years to come.

And, Mr. President, having in mind these matters, and the thought of your trade-mark in business, "solitaire," your friends have had made this diamond ring, as an emblem of their appreciation of your fidelity in office; and now sir, if you will rise, we will perform the ceremony. (Laughter and applause.)

Dear! beloved, inasmuch as we are gathered together here in the presence of this audience and in the sight of the credit men of the United States, to join together this man, our retiring President, and the National Association of Credit Men, in the holy and indissoluble bonds of mutual love and esteem, now therefore, I, by virtue of the authority vested in me by my fellow credit men here assembled, do charge you sir, that you continually wear this ring, and may it ever remind you that we are yours and you are ours, in the name of fidelity, friendship and devotion. May joy and peace abound to you now, henceforth and forevermore!

Permit me now to congratulate you! May you always have pleasure in wearing the ring we have given, emblem of that circle or union of helpful purpose which characterizes all loyal members of our Association. Wear it sir, to your distant home in "Colorado, the sublime; Denver, the beautiful," and there, in the retirement from executive Association duties you have insisted we should grant you, may you ever remem-

ber this day, your fellow-members, and exclaim, like Paul of old, "I have fought a good fight, I have finished my course; henceforth there is laid up for me a crown of good will, esteem and precious memories that shall never, never fade away." (Great applause.)

President—I do not know what to say. I took this office a year ago, after following several able predecessors, with considerable diffidence, I am frank to say, and my administration of the affairs of this organization may have provoked some criticism, possibly, during the year.

Mr. Tregoe—None whatever.

President—But I desire to say, that there is no business organization that I have ever been associated with that has been as near to my heart as this organization of credit men.

I want to say that it has been my policy, ever since I have been in business, to try to do what I thought was fair, and just, and right; and if I have made any mistakes during the past year in following that policy in my administration, I can only say that I hope that you will forgive me.

For this gift, so brilliant, so unexpected, associated as it is with most pleasing memories, and as a touching expression of your confidence and friendship, I thank you from the bottom of my heart. (Great applause.)

We now have the committee approaching with the victim. (Laughter and applause.)

(Mr. Fessenden was escorted to the rostrum by the committee.)

President—I do not propose to make a speech telling Mr. Fessenden how he should conduct this organization. I have known him for years and can endorse everything that Mr. Prendergast said about him. I will endorse him, not "without recourse," but with recourse. (Great applause.)

(Mr. Fessenden took the Chair.)

President Fessenden—To you, my fellow-members of the National Association of Credit Men, I give my heartfelt thanks for the honor you have conferred upon me—the greatest honor of my life.

Conscious of the fact that my predecessors have more than fulfilled your expectations, I take the responsibilities of the office with a great deal of misgiving. But, gentlemen, you may be sure of one thing, I will be faithful to the great trust you have placed in my care, and do my best to further the interests of this Association which we all love so well. I thank you again and again. (Great applause.)

I will appoint Messrs. Evans and Salisbury a committee to escort Vice-President Gettys to the platform.

(Mr. Gettys was escorted to the rostrum amid great applause.)

President—I take great pleasure in placing Mr. Gettys before you. He needs no introduction. (Applause.)

Mr. Gettys—Mr. Chairman, Angels and Gentlemen (Applause): What can I say even in the feeblest way to express to you my heartfelt thanks. You have honored me beyond merit and beyond logic. I assure you that you have given me an incentive to strive to be a man modeled on the principles of the National Association of Credit Men. I wish I could, in a feeble way even, express to you how very much I feel the honor, and how much it means to me to know that you are my dear, good friends. (Great applause.)

Adjourned *sine die*.

**Roster of Delegates and Individual Members, Also  
Delegates and Individual Members Represented  
by Proxies, Memphis Convention, June 14, 15,  
16, 1905.**

*DELEGATES REPRESENTING LOCAL ASSOCIATIONS.*

- Atlanta, Ga.—C. J. Beane, Jos. A. McCord, Wilmer L. Moore.  
Baltimore, Md.—F. R. Blair, S. D. Buck, J. Ross Diggs, Chas. L. Hutchins, E. G. King, Jas. W. Kirkman, F. J. La Motte, O. D. Maxwell, R. L. Rhodes.  
Birmingham, Ala.—R. D. Burnett, H. W. Coffin, R. H. Eggleston.  
Boston, Mass.—Chas. L. Bird, E. W. Harding.  
Buffalo, N. Y.—A. H. Burt, W. M. Edwards.  
Chattanooga, Tenn.—E. E. Hoss, Jr., G. G. Fletcher.  
Chicago, Ill.—A. W. Becker, B. E. Borges, S. S. Davis, Geo. H. Detlor, T. L. Dodd, Henry Farnoff, John Griggs, Hugo Hartmann, Geo. H. Hovey, W. J. Lipsey, E. A. Pettibone, Fred. A. Smith, Henry T. Smith, Thos. I. Stacey, Wm. M. Turner, Chas. H. Warren.  
Cincinnati, O.—Geo. Guckenberger, W. A. Hopple, M. E. Jackson, W. B. Johnston, C. F. Korn, S. G. Rosson, Max Silberberg.  
Cleveland, O.—W. H. Findley, F. A. Grossenbacher, W. F. Lyon, J. L. Matchett, J. B. Pearce, W. E. Rice, Thos. P. Robbins, A. L. Somers.  
Columbus, O.—C. C. Aler, F. E. Huggins, Chas. W. Miller, E. K. Morris, H. M. Powell, B. G. Watson.  
Denver, Colo.—D. G. Bolton, L. B. Bridaham, Geo. W. Brooks, John Callis, E. A. Clifford, A. C. Foster, M. C. Flint, R. R. Gillette.  
Detroit, Mich.—W. S. Campbell, A. E. Kiefer, W. G. Seely, Jr., M. D. Wasson.  
Fort Worth Tex.—Geo. R. McGowen.  
Grand Rapids, Mich.—F. S. Coleman, Chas. A. Greenman, A. B. Merritt.  
Kansas City, Mo.—Thos. T. Crittenden, H. C. Nelson, Geo. Osmund.  
Lincoln, Neb.—J. L. Kennard.  
Los Angeles, Cal.—W. C. Mushet, W. H. Preston.  
Louisville, Ky.—Chas. M. Chambers, J. R. Duffey, F. M. Gettys, S. A. Hilpp, J. I. Seiderman, J. H. Henhoff.  
Lynchburg, Va.—E. F. Sheffey.  
Memphis, Tenn.—J. W. Apperson, J. W. Bailey, A. B. Carruthers, R. L. Crofton, W. J. Moody.  
Milwaukee, Wis.—H. M. Battin, Evan H. Jones, Oscar Loeffler, E. C. Mason, R. J. Morawetz, W. W. Wallis, A. P. Wettstein.  
Minneapolis, Minn.—M. C. Badger, W. E. Dunlap, F. J. Hopkins, J. H. Hiscock, Fred Spafford, F. R. Salisbury.  
Nashville, Tenn.—A. H. Griffin, E. O. Harris, H. L. Lipscomb, H. H. Nance, Robt. H. Neal, J. H. Orr, H. L. Sperry, Geo. M. Thomas.  
New Orleans, La.—Ed. Rosenberg.  
New York, N. Y.—E. E. Allaire, Wm. S. Armstrong, M. E. Bannin, Chas. Biggs, Benj. Bower, F. K. Dolbeer, O. G. Fessenden, J. Franz, E. E. Huber, J. D. Hopkins, Jr., H. W. Lazelle, W. W. Lester, Thos. J. McGuire, D. J. McKenna, Howard Marshall, W. A. Prendergast, W. E. Purdy, H. J. Sayers, O. A. Strecker, Owen Shepherd, A. H. Watson, H. M. Wolfe.  
Omaha, Neb.—E. M. Andreesen.

Philadelphia, Pa.—Howard M. Bougher, Frank S. Evans, Henry Freund, F. G. Helmbold, G. L. Levi, David S. Ludlum, H. E. Moody, Chas. G. Rapp, S. W. Severson.

Pittsburgh, Pa.—S. H. Anderson, W. H. Cochrane, M. J. Connelly, J. O. Fitzsimmons, Frank E. Freese, W. A. Given, G. Brown Hill, H. P. Howell, G. W. Hoffman, Cyrus Lewis, Geo. W. Ryan, Thos. H. Shepard, F. M. Weikel.

Portland, Ore.—F. S. West.

Rochester, N. Y.—W. B. Conkling, Lee Richmond, Edward Weter.

St. Joseph, Mo.—C. S. Dickey, John E. Lonsdale, B. C. Pinger.

St. Paul, Minn.—H. A. Boardman, W. R. Langford, D. L. Sawyer, D. P. Whyte.

St. Louis, Mo.—A. E. Baker, Geo. R. Barclay, C. H. Bishop, A. H. Foote, Richard Hanlon, C. M. Marriott, Geo. B. Miller, F. E. Norwine, F. A. Powers, O. W. Ropiequet, F. W. Risque, Geo. H. Sheble, John B. Strauch, C. C. Taylor, Geo. Woolf.

Wichita, Kan.—John B. House, Geo. T. Nolley.

Youngstown, O.—E. L. McKelvey, John R. Squire, T. N. Stitt.

#### INDIVIDUAL MEMBERS PRESENT.

V. O. Alexander	Pine Bluff, Ark.
E. M. Andreesen	Omaha, Neb.
Edward Bancroft	Athens, Ga.
George R. Barclay	St. Louis, Mo.
H. J. Baum	Paducah, Ky.
L. John Bergman	Syracuse, N. Y.
Charles Biggs	New York, N. Y.
B. E. Borges	Chicago, Ill.
Howard B. Buell	Syracuse, N. Y.
B. P. Cantrell	Jackson, Tenn.
F. T. Cartwright	Moundsville, W. Va.
Frank T. Day	Indianapolis, Ind.
W. M. Edwards	Buffalo, N. Y.
Frank S. Evans	Philadelphia, Pa.
O. G. Fessenden	New York, N. Y.
G. G. Fletcher	Chattanooga, Tenn.
A. H. Foote	St. Louis, Mo.
B. Frank	Montgomery, Ala.
C. F. Freeland	Denver, Col.
Frank E. Freese	Pittsburgh, Pa.
Henry Freund	Philadelphia, Pa.
C. W. Gibson	Corinth, Miss.
W. A. Given	Pittsburgh, Pa.
Richard Hanlon	St. Louis, Mo.
G. Brown Hill	Pittsburgh, Pa.
F. J. Hopkins	Minneapolis, Minn.
W. A. Hopple	Cincinnati, Ohio.
W. W. Lester	South Norwalk, Conn.
G. L. Levi	Philadelphia, Pa.
C. W. Linthicum	Fort Smith, Ark.
David S. Ludlum	Philadelphia, Pa.
A. W. Nunn	Pine Bluff, Ark.
W. H. Preston	Los Angeles, Cal.
Charles G. Rapp	Philadelphia, Pa.
F. R. Salisbury	Minneapolis, Minn.



O. Shepherd ..... New York, N. Y.  
W. H. H. Shibley ..... Fort Smith, Ark.  
Henry T. Smith ..... Chicago, Ill.  
Frederick W. Standart ..... Denver, Col.  
W. H. Thayer ..... Boston, Mass.  
J. H. Tregoe ..... Baltimore, Md.  
J. M. Walton ..... Paducah, Ky.  
A. H. Watson ..... New York, N. Y.

# *INDIVIDUAL MEMBERS REPRESENTED BY PROXIES.*

Frank D. Bittner, Allentown, Pa.....A. W. Pickford  
Frank D. Sweeten, Philadelphia, Pa.....A. W. Pickford  
Arthur Young, Milwaukee, Wis.....M. A. Graettinger  
Adam H. Bartel, Richmond, Ind.....Frank T. Day  
Thos. Keely, Denver, Colo.....L. B. Bridaham  
W. C. Weaver, Denver, Colo.....L. B. Bridaham  
F. F. Steuby, Denver, Colo.....L. B. Bridaham  
W. A. Hover, Denver, Colo.....L. B. Bridaham  
Geo. F. Miller, Huntington, W. Va.....F. T. Cartwright  
A. S. Thomas, Charleston, W. Va.....F. T. Cartwright  
J. F. Bedell, Charleston, W. Va.....F. T. Cartwright  
R. T. Mead, Huntington, W. Va.....F. T. Cartwright  
Wm. J. Harvie, Huntington, W. Va.....F. T. Cartwright  
D. E. Abbott, Huntington, W. Va.....F. T. Cartwright  
Clark Howell, Charleston, W. Va.....F. T. Cartwright  
H. B. Lewis, Charleston, W. Va.....F. T. Cartwright  
G. P. Leatherbury, Clarksburg, W. Va....F. T. Cartwright  
A. C. Murdoch, Parkersburg, W. Va.....F. T. Cartwright  
E. E. Fullerton, Parkersburg, W. Va....F. T. Cartwright  
J. R. Stevenson, Huntington, W. Va....F. T. Cartwright  
Henry F. Smith, Fairmont, W. Va.....F. T. Cartwright  
J. P. Maxwell, Wheeling, W. Va.....F. T. Cartwright  
H. M. Wolfe, New York City.....W. A. Prendergast  
Albert C. Case, New York City.....W. A. Prendergast  
Thos. C. Murray, Troy, N. Y.....W. A. Prendergast  
Wm. Jesson, Mansfield, Ohio.....Frank H. Randel  
James Reynolds, Mansfield, Ohio.....Frank H. Randel  
A. Coppel, Dayton, Ohio.....Frank H. Randel  
L. J. Kadeski, Quincy, Ill.....Fred. A. Smith  
C. A. Braman, New York City.....W. S. Armstrong  
Clarence E. Bull, Syracuse, N. Y.....W. S. Armstrong  
E. J. Fitzgerald, New York City.....W. S. Armstrong  
H. L. Edson, Troy, N. Y.....W. S. Armstrong  
F. E. Howe, Troy, N. Y.....W. S. Armstrong  
C. E. Vanzandt, Troy, N. Y.....W. S. Armstrong  
W. J. Hayner, Troy, N. Y.....W. S. Armstrong  
Chas. L. Pine, Troy, N. Y.....W. S. Armstrong  
H. B. Crouse, Syracuse, N. Y.....M. E. Bannin  
C. F. Carrier, Elmira, N. Y.....M. E. Bannin  
A. E. Pierce, New York City.....M. E. Bannin  
H. Galusha, Troy, N. Y.....M. E. Bannin  
Martin F. Connors, Troy, N. Y.....M. E. Bannin  
Richard P. Messiter, New York City....M. E. Bannin  
G. W. Gladwin, New York City.....Howard Marshall  
Louis C. Hahn, New York City.....Howard Marshall

Hugo Kanzler, New York City.....Howard Marshall  
 Willard W. Searle, Troy, N. Y.....Howard Marshall  
 Wm. Barker, Jr., Troy, N. Y.....Howard Marshall  
 Wm. Colvin, Jr., Troy, N. Y.....Howard Marshall  
 Jeremiah Richards, New York City.....H. W. Lazelle  
 J. H. Roy, New York City.....H. W. Lazelle  
 Jas. G. S. Dey, Syracuse, N. Y.....D. J. McKenna  
 H. G. Newcomer, Utica, N. Y.....D. J. McKenna  
 Wm. J. Leonard, Albany, N. Y.....A. H. Watson  
 Arthur J. Lowery, Utica, N. Y.....A. H. Watson  
 R. L. Tweedy, Binghamton, N. Y.....E. Allaire  
 Francis M. Bacon, Jr., New York City....E. Allaire  
 S. V. V. Huntington, New York City....F. K. Dolbeer  
 Jas. K. Dunscomb, Albany, N. Y.....F. K. Dolbeer  
 John N. Willys, Elmira, N. Y.....F. K. Dolbeer  
 C. L. Wells, Troy, N. Y.....F. K. Dolbeer  
 C. F. Polk, Troy, N. Y.....F. K. Dolbeer  
 J. W. F. Podmore, Troy, N. Y.....F. K. Dolbeer  
 Lawrence Dallam, Paducah, Ky.....F. M. Gettys  
 J. F. VanDeren, Lexington, Ky.....F. M. Gettys  
 F. B. Smith, Paducah, Ky.....F. M. Gettys  
 R. H. Pennington, Owensboro, Ky.....F. M. Gettys  
 Simon Ades, Lexington, Ky.....F. M. Gettys  
 R. D. Norwood, Lexington, Ky.....F. M. Gettys  
 Omar Dodson, Maysville, Ky.....F. M. Gettys  
 W. H. Bowman, Owensboro, Ky.....F. M. Gettys  
 J. S. Goebel, Marietta, Ohio.....W. H. Findley  
 Geo. F. Kash, Cleveland, Ohio.....W. H. Findley  
 U. H. Brown, Zanesville, Ohio.....W. H. Findley  
 E. R. King, Toledo, Ohio.....W. H. Findley  
 R. C. Kirk, Steubenville, Ohio.....W. H. Findley  
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# Directory of Officers of the National Association of Credit Men, and Affiliated Branches.

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- LOUISVILLE, KY.**—Louisville Credit Men's Association. President, S. A. Hilpp, Globe Tailoring Co.; Secretary, R. Ruthenburg, Mendel, Weinstock & Co.
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- MINNEAPOLIS, MINN.**—Minneapolis Credit Men's Association. President, F. E. Salisbury, Salisbury & Satterlee; Secretary, M. C. Badger, Patterson & Stevenson Co.
- NASHVILLE, TENN.**—Nashville Credit Men's Association. President, J. H. Orr, Orr, Jackson & Co.; Secretary, Geo. M. Thomas, American Building.
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- PITTSBURGH, PA.**—Pittsburgh Association of Credit Men. President, W. A. Given, The Pittsburgh Dry Goods Co.; Secretary, W. L. Danahy, Monongahela Bank Bldg.
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- SEATTLE, WASH.**—Seattle Credit Men's Association. President, F. W. Baker, Seattle Hardware Co.; Secretary, Geo. F. Telfer, National Grocery Co.
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